

**TEAMCARE**<sup>®</sup>



**CENTRAL STATES  
PENSION FUND**

# SUMMIT

2025



# THE PENSION FUND IS OPEN FOR BUSINESS !!

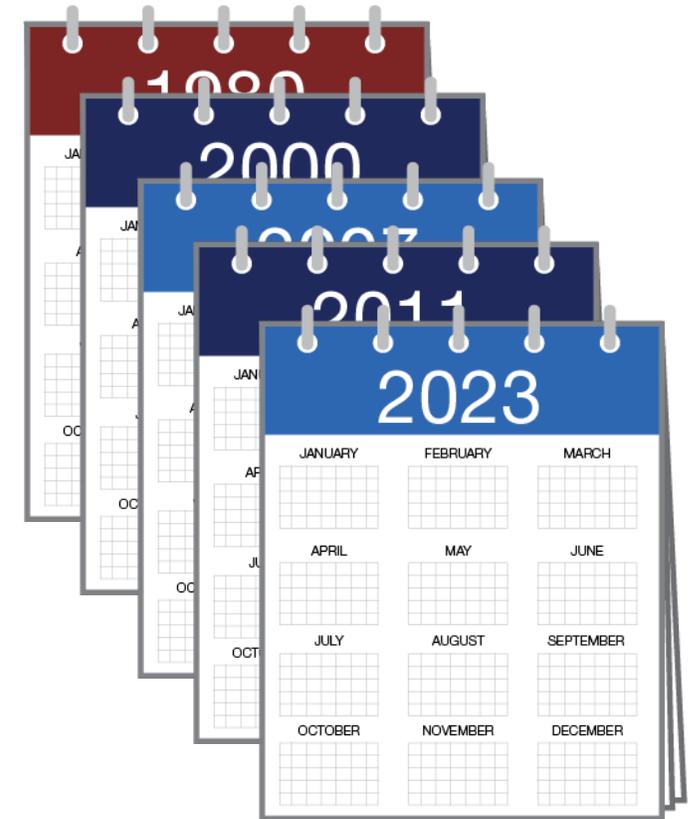
## AGENDA

- WITHDRAWAL LIABILITY – PAST/PRESENT/FUTURE
- AMERICAN RESCUE PLAN ACT (“ARPA”)
- SPECIAL FINANCIAL ASSISTANCE (“SFA”)
- HYBRID “NEW EMPLOYER” POOL
- NEW GROUPS & CONTINUED PARTICIPATION THRU CORPORATE TRANSACTIONS
- TOOLS FOR PENSION FUND RETENTION AND GROWTH
- QUESTIONS



# WITHDRAWAL LIABILITY – PAST/PRESENT/FUTURE

- SEPTEMBER 1980 - PASSAGE OF MULTI-EMPLOYER PENSION PLAN AMENDMENTS ACT
- EARLY 2000's – DOT-COM BUBBLE BURST
- 2007-2009 – GREAT RECESSION
- OCTOBER 2011 – CENTRAL STATES HYBRID PLAN
- JANUARY 2023 – RECEIPT OF SFA



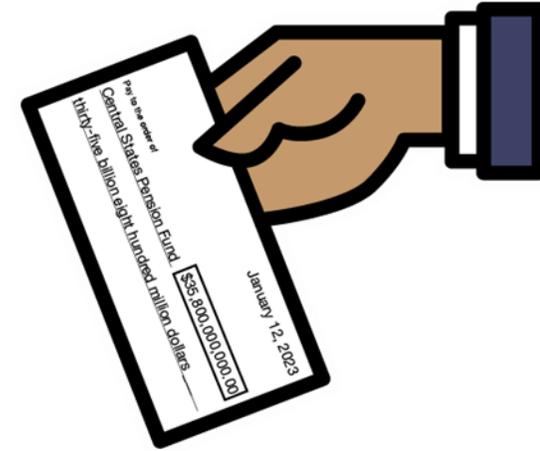
# AMERICAN RESCUE PLAN ACT (“ARPA”)

- MARCH 11, 2021 – SIGNED INTO LAW BY PRESIDENT BIDEN
- \$1.9 TRILLION STIMULUS PACKAGE
- PBGC ASSIGNED TO ASSIST MULTIEMPLOYER PLANS WITH FINANCIAL UNCERTAINTY
- CSPF ABLE TO OPEN THE DOOR FOR NEW BUSINESS
- WIN-WIN-WIN FOR FUND, EMPLOYERS, AND UNIONS

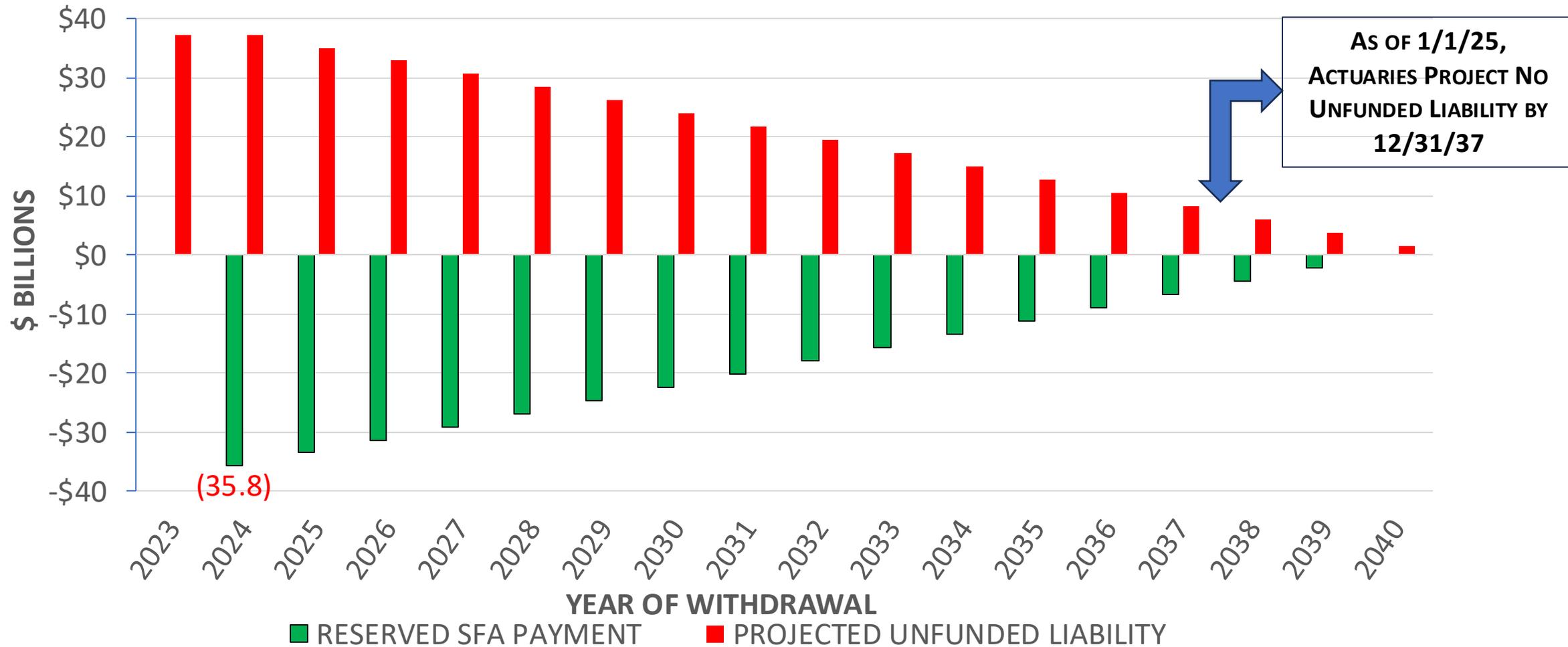


# SPECIAL FINANCIAL ASSISTANCE (“SFA”)

- DECEMBER 18, 2022 – PBGC APPROVED CENTRAL STATES SFA APPLICATION
- JANUARY 12, 2023 – CENTRAL STATES RECEIVED \$35.8B
  - GRANT – NOT A LOAN!
  - SINGLE LUMP SUM PAYMENT!
- PUT CENTRAL STATES ON-TRACK TOWARD BEING FULLY FUNDED, WITH CONSERVATIVE INVESTMENT PROJECTION MODEL
- SINGLE PAYMENT FINANCIAL RELIEF TO CENTRAL STATES RESULTED IN FUNDING >95%



# SFA PAYMENT APPLIED TO 12/31/22 UNFUNDED LIABILITY



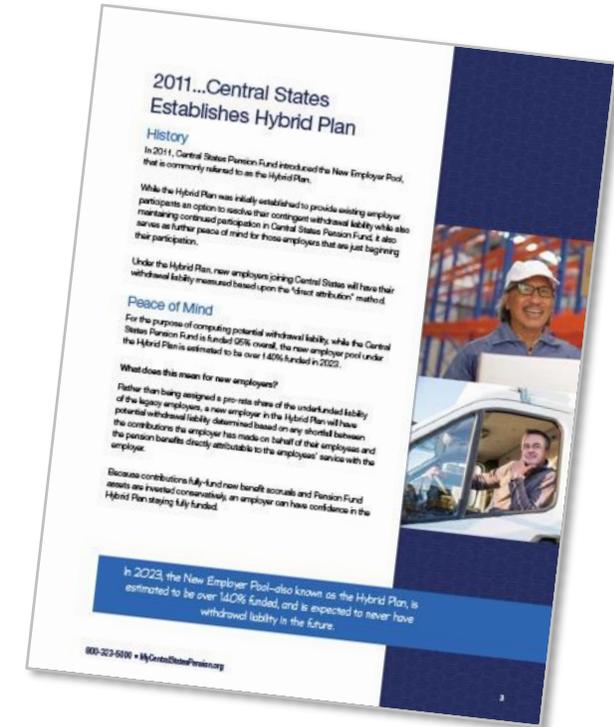
# “CONFIDENCE”

- *CONFIDENCE*...ATTAINABLE INVESTMENT TARGETS
- *CONFIDENCE*...REALISTIC CONTRIBUTIONS STREAM
- *CONFIDENCE*...EMPLOYER WITHDRAWAL LIABILITY PROTECTION
- *CONFIDENCE*...PROMISED BENEFITS ARE **SECURE**



# NEW EMPLOYER POOL – “HYBRID PLAN”

- EFFECTIVE OCTOBER 14, 2011 WITH INITIAL GOALS:
  - PROVIDE OPTIONS
  - MAINTAIN PARTICIPATION
  - ELIMINATE POTENTIAL GROWTH IN WITHDRAWAL LIABILITY
  - ELIMINATE ANNUAL CONTRIBUTION INCREASES
  - AVOID BENEFIT REDUCTIONS



# NEW EMPLOYER POOL – “HYBRID PLAN”

- TRANSITION OF OLD EMPLOYERS - NOW ADDITION OF NEW GROUPS
- SAME PENSION FUND . . . NO IMPACT ON MEMBERS!!!
- APPROXIMATELY **160%** FUNDED
- NO WITHDRAWAL LIABILITY IN NEARLY 14 YEARS OF EXISTENCE.



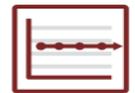
# POTENTIAL **NEW GROUP** PENSION PARTICIPATION

## QUALIFICATION

- NO PRIOR PARTICIPATION IN THE FUND (ASSET PURCHASER)
- PRIOR PARTICIPATION IN FUND, BUT FULLY RESOLVED ANY WITHDRAWAL LIABILITY

## INCENTIVES FOR NEW PENSION FUND GROUPS

- **EMPLOYER:** NO WITHDRAWAL LIABILITY & NO MANDATORY RATE INCREASES
- **MEMBER:** CONTIGUOUS VESTING FOR ALL PREVIOUS YEARS AT EMPLOYER
- **MEMBER:** NON-CONTRIBUTORY CREDIT ON A “ONE FOR ONE” BASIS
- **MEMBER:** ADVANTAGE OF DEFINED BENEFIT PLAN VS DEFINED CONTRIBUTION PLAN
- **UNION:** PARTICIPATION IN A TEAMSTER PENSION FUND



1:1



# NEW GROUP PENSION PARTICIPATION PROPOSALS

- PROPOSAL LETTER – OUTLINING ALL INCENTIVES
- SAMPLE RATE BENEFITS HIGHLIGHT COMPARISON
- PRE-APPROVAL VIA EMPLOYER INFORMATION FORM
- NEW GROUPS CAN JOIN AT ANY CONTRIBUTION RATE
- SINCE RECEIPT OF SFA . . .
  - 575 MEMBERS ADDED UNDER 22 BARGAINING UNITS
  - APPROX. 1100 MORE MEMBERS RETAINED WITH NEW EMPLOYER



**CENTRAL STATES PENSION FUND**

### New Group Sample Rates Benefits Highlights Comparison

As a new employer joining Central States, the initial contribution rate is determined through negotiations between the bargaining parties. A new group can join the Pension Fund at any initial contribution rate.

To illustrate the lifetime monthly pension benefits and how those amounts grow based on years in the Pension Fund and the contribution rate, the chart below provides a few examples.

As contributions increase, so do the amount of the monthly pension benefits. The examples show the difference in pension amounts based on the weekly contribution remaining unchanged for the duration of the employer's work history. Increases in rates are not required for new employers but are encouraged to grow the pension benefit.

MEMBER'S MONTHLY ACCRUAL AT 5 YEAR INCREMENTS					
Weekly Contribution	After 5 Years (at age 60)	After 10 Years (at age 60)	After 15 Years (at age 60)	After 20 Years (at age 62)	After 25 Years (at age 62)
\$45 / Week	\$117	\$234	\$351	\$468	\$585
\$105 / Week	\$273	\$546	\$819	\$1,092	\$1,365
\$185 / Week	\$461	\$922	\$1,383	\$1,844	\$2,305
\$315 / Week	\$789	\$1,578	\$2,367	\$3,156	\$3,945



MONTHLY LIFETIME PENSION COMPARISON

The chart shows monthly pension benefits for four contribution rates: \$45/Week (light blue), \$105/Week (medium blue), \$185/Week (light green), and \$315/Week (dark green). The x-axis shows time points: After 5 Years (at age 60), After 10 Years (at age 60), After 15 Years (at age 60), After 20 Years (at age 62), and After 25 Years (at age 62). The y-axis ranges from \$0 to \$4,000. Higher contribution rates result in significantly higher monthly pension benefits, and the benefits increase over time as the member's work history grows.

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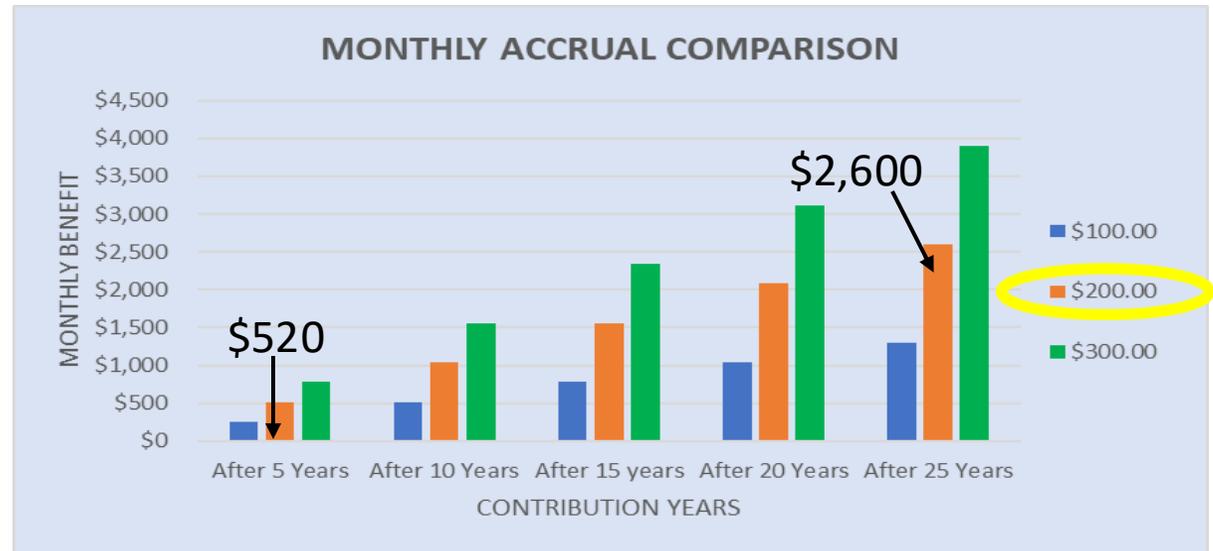
This document is meant as a summary of benefits offered to New Groups joining the Pension Fund. If there is a discrepancy between this document and the Pension Plan Document, the Pension Plan Document will be the controlling document.

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# NEW CENTRAL STATES EMPLOYERS ... PROJECTIONS

## BENEFIT PROJECTIONS

- SUPPORTS THE GROWTH IN EACH MEMBER'S PENSION
- PROVIDES EACH MEMBER OPPORTUNITY TO VISUALIZE GROWTH OF PENSION IN COMPARISON TO ALTERNATIVE PROPOSALS



## Member's Monthly Benefit At 5 Year Increments

Constant Rate	After 5 Years	After 10 Years	After 15 years	After 20 Years	After 25 Years
\$100.00	\$260	\$520	\$780	\$1,040	\$1,300
\$200.00	\$520	\$1,040	\$1,560	\$2,080	\$2,600
\$300.00	\$780	\$1,560	\$2,340	\$3,120	\$3,900

# ASSET SALES DO NOT EQUAL TERMINATION

- OPTIONS EXIST TO PRESERVE BENEFITS
  - SELLER AND PENSION FUND EXECUTE HYBRID SETTLEMENT
  - ERISA SECTION 4204 – SELLER TRANSFERS LIABILITY TO PURCHASER
  - PURCHASER SIMPLY QUALIFIES AS NEW EMPLOYER



# TOOLS FOR RETAINING CENTRAL STATES EMPLOYERS

## REHABILITATION PLAN WITHDRAWAL (“RPW”) REPORT

- AVAILABLE TO LOCAL UNION REPRESENTATIVES
- ALL ADJUSTABLE BENEFITS (INCLUDING AND-OUT BENEFITS) ARE LOST
- ACCRUED BENEFIT (1%/2% CONTRIBUTION BASED PENSION) IS AVAILABLE AT AGE 65
- RETIREES MUST HAVE RECEIVED 13 PENSION CHECKS AS OF THE EARLIER OF THE TERMINATION OR EXPIRATION OF CBA

Member Name	Number of Contributory Years	Present Age	...Current Age Benefit (or Age 57 if Younger)				...at age 65 (or current if Older)			
			Benefit Estimate Age	Unreduced Benefit Payable at Benefit Estimate Age (when no RPW)	Reduced Benefit Payable at Benefit Estimate Age (because of RPW)	RPW Benefit Reduction based on Benefit Estimate Age *	Benefit Estimate Age	Unreduced Benefit Payable at Benefit Estimate Age (when no RPW)	Reduced Benefit Payable at Benefit Estimate Age (because of RPW)	RPW Benefit Reduction based on Benefit Estimate Age *
<b>ACTIVE</b>										
EMPLOYEE A	32.5	56	57	\$2,967	\$1,550	(\$1,417)	65	\$3,575	\$3,370	(\$206)
EMPLOYEE B	29.7	61	61	\$3,301	\$2,349	(\$952)	65	\$3,321	\$3,226	(\$96)
EMPLOYEE C	29.5	57	57	\$2,802	\$1,575	(\$1,227)	65	\$3,306	\$3,171	(\$135)
EMPLOYEE D	26.2	54	57	\$2,135	\$1,324	(\$811)	65	\$2,878	\$2,878	-
EMPLOYEE E	18.8	58	58	\$1,266	\$1,091	(\$175)	65	\$2,145	\$2,145	-
EMPLOYEE F	4.0	37	Not Vested^	\$614	-	(\$614)	Not Vested^	\$614	-	(\$614)

# TOOLS FOR RETAINING CENTRAL STATES EMPLOYERS

			...Current Age Benefit ( or Age 57 if Younger)				...at age 65 (or current if Older)			
Member Name	Number of Contributory Years	Present Age	Benefit Estimate Age	Unreduced Benefit Payable at Estimated Age (when no RPW)	Reduced Benefit Payable at Benefit Estimate Age (because of RPW)	RPW Benefit Reduction Based on Benefit Estimate Age*	Benefit Estimate Age	Unreduced Benefit Payable at Estimated Age (when no RPW)	Reduced Benefit Payable at Benefit Estimate Age (because of RPW)	RPW Benefit Reduction Based on Benefit Estimate Age*
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EMPLOYEE F	4.0	37	Not Vested^	\$614	-	(\$614)	Not Vested^	\$614	-	(\$614)

			...Current Age Benefit ( or Age 57 if Younger)				Projected Benefit – Age 62 ~		
Member Name	Number of Contributory Years	Present Age	Benefit Estimate Age	Unreduced Benefit Payable at Estimated Age (when no RPW)	Reduced Benefit Payable at Benefit Estimate Age (because of RPW)	RPW Benefit Reduction Based on Benefit Estimate Age*	Benefit Estimate Age	Number of Contributory Years at Assumed Retirement Age	Projected Benefit Estimate at Assumed Retirement Age
<b>ACTIVE</b>									
INDIVIDUAL 1	31.6	59	59	\$2,650	\$1,718	(\$932)	62	34.6	\$3,453
INDIVIDUAL 2	24.8	59	59	\$2,234	\$1,545	(\$689)	62	27.8	\$2,872
INDIVIDUAL 3	19.8	49	57	\$725	\$641	(\$84)	62	32.8	\$3,519
INDIVIDUAL 4	19.0	50	57	\$1,024	\$906	(\$118)	62	31.0	\$3,889
INDIVIDUAL 5	15.0	37	57	\$836	\$739	(\$96)	62	40.0	\$5,906
INDIVIDUAL 6	10.0	36	57	\$607	\$537	(\$70)	62	36.0	\$5,604

# TOOLS FOR RETAINING CENTRAL STATES EMPLOYERS

## WITHDRAWAL LIABILITY ESTIMATE:

- COMPLETE WITHDRAWAL ESTIMATE IS AVAILABLE UPON REQUEST
- SUPPORT NEGOTIATION WITH EMPLOYER
- GROSS LIABILITY MAY BE LIMITED UNDER PAYMENT SCHEDULE
- SFA ASSETS WILL BE PHASED IN OVER 16 YEARS (2025 1<sup>ST</sup> YEAR)
- NO UNFUNDED VESTED BENEFIT BY 2038

Controlling Employer Name: EMPLOYER ABC  
 Assessment Number: ESTIMATE ONLY  
 Withdrawn Company Name: EMPLOYER ABC

Type of Calculation: 2020 Complete Withdrawal  
 Date Prepared: June 17, 2021

**Section I - Pre-1980 Pool**

a) All Employers' Contributions (1975 - 1979)	Year	Contributions	CBUs
	1975	0.00	0.00
	1976	0.00	0.00
	1977	0.00	0.00
	1978	0.00	0.00
	1979	0.00	0.00
	Total	0.00	0.00
b) All Employers' Contributions (1975 - 1979)		1,993,217,854	
c) Allocation Fraction		0.000000000	
d) Unamortized 12/31/79 UVB		0.00	
e) Pre-1980 Pool Liability		0.00	

**Section II - Post-1979 Pool**

a) Withdrawn Employer's Contributions Last 10 Years	Year	Contributions	CBUs
	2010	236,808.90	1,086.00
	2011	220,627.75	939.00
	2012	170,384.31	672.00
	2013	197,773.35	723.00
	2014	290,341.18	1,006.00
	2015	321,365.47	1,048.00
	2016	336,508.20	1,048.00
	2017	354,167.60	1,148.20
	2018	380,866.40	1,262.40
	2019	387,945.80	1,303.80
	Total	2,896,788.96	10,236.40
b) All Employers' Contributions (Last 10 Years)		-4,613,374,769	
c) Allocation Fraction		0.0006279110	
d) Net Change in UVB (12/31/19)		45,121,048,224	
e) Post-1979 Pool Liability		28,332,004.42	

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# PENSION WITHDRAWAL LIABILITY

**QUESTIONS?**

**\*WE ALSO HAVE A TABLE IN THE REGISTRATION ROOM TO ASSIST IN ANY QUESTIONS OR CONCERNS.**