

SIGN, PICTORIAL AND DISPLAY UNION LOCAL NO. 591 AFL-CIO

Sign, Pictorial and Display Union Local No. 591 AFL-CIO Pension Plan

Managed for the Trustees by:
TIC MIDWEST

To: Participants in the Sign, Pictorial and Display Union Local No. 591 AFL-CIO Pension Fund

Re: Notice of Critical Status and Next Steps

Date: August 28, 2025

Due to the large declines in the financial markets as of April 30, 2022, the Sign, Pictorial and Display Union Local No. 591 Pension Fund again has been certified to be in critical status under the Pension Protection Act of 2006 (PPA). Financial markets have not yet fully recovered and contribution hours have trended lower, so the actuary has again certified that the Plan continues to be in PPA critical status.

As described in the attached Notice, the Fund's Board of Trustees is required by law to update you on the status of the plan which is operating under its existing "rehabilitation plan". Rehabilitation plans generally require that the actions adopted, be designed to raise the Fund's financial status so that it is no longer in PPA critical status within 10 years after the statutory effective date of the rehabilitation plan. The Fund currently has adopted an all reasonable rehabilitation plan that the Trustees believe provides the best chance for the Fund to emerge from critical status and recover its financial health.

The Fund is what actuaries would call a very "mature plan", which means that the population of participants receiving, or entitled to receive Fund benefits is larger than the population of active participants who still are working and accruing retirement benefits and whose work generates employer contributions. In very mature plans, the biggest factor in the return to financial health is the recovery of the financial markets.

As the attached Notice indicates, the Fund Trustees have several tools to try to help the Fund improve its financial status. The Trustees evaluate at least annually whether the potential costs (e.g., due to accelerating retirements) outweigh the benefit of these actions. Because the Fund is very mature the range of practical measures that the Trustees can adopt is small and, by itself, may not be enough to restore the Fund's financial health without the recovery of the financial and strong hourly contributions.

The Trustees, of course, will continue to review all relevant facts and circumstances and available options in determining the best way to prudently fulfill their statutory obligation to maintain a rehabilitation plan that is prudent and appropriate under the circumstances, and which meets all statutory requirements.

Board of Trustees
Sign Pictorial and Display Union Local No. 591 AFL-CIO

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Notice of Critical Status For Sign, Pictorial and Display Union Local No. 591 ALF-CIO Pension Plan

This is to inform you that on July 29, 2025 the Plan Actuary certified to the U.S. Department of the Treasury and to the Plan Sponsor that the Plan is in critical status for the plan year beginning May 1, 2025. Federal law requires that you receive this notice. In the future you will receive an annual update of this status and the progress the Plan is making towards the goals described below.

Critical Status

The Plan is still considered to be in critical status because it is projected to satisfy the following:

Projected accumulated funding deficiency within the current or next 9 plan years

The Plan's actuary projects that, if no further action is taken, the Plan has an existing accumulated funding deficiency for the plan year ending April 30, 2025 and projected to still have a funding deficiency for plan year ending April 30, 2026.

Note, "accumulated funding deficiency" means that contributions would be insufficient to satisfy Federal requirements; it does not mean that the Fund would become bankrupt or run out of money.

As required by law, the Plan Actuary's certification includes only contribution rate increases that have been codified in collective bargaining or participation agreements.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the Plan. A rehabilitation plan may involve reductions to future benefit accruals, increases to contribution rates, or both. The law also permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. The Plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the Pension Plan may adopt:

- Disability benefits;
- Early retirement benefits or subsidies

If the Trustees of the Plan determine that the above benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. But you should know that whether or not the Plan reduces adjustable benefits, the Plan is not permitted to pay any lump sum benefits in excess of \$5,000 (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status.

Future Experience and Possible Adjustments

The rehabilitation plan is based on a number of assumptions about future experience and may need to be adjusted in the future if such assumptions are not met. Additional contribution rate increases and/or reductions in the rate at which benefits are earned may be needed if the Fund were to suffer asset returns below the expected 7.00% (in the 2025 plan year or later), a drop in the hours worked, or poor experience from other sources. If, at some point in time, the Trustees determine that further adjustments are necessary, you will receive a separate notice identifying and explaining the effect of those changes.

Where to Get More Information

You have a right to receive a copy of the rehabilitation plan once it has been formally approved by the bargaining parties. To receive a copy, you may contact the Fund Office at 5600 New King Drive, Suite 330, Troy, Michigan 48098 or by telephone at (248) 645-6550.