Los Angeles Hotel-Restaurant Employer-Union Retirement Fund

Administered By: Benefit Programs Administration
Telephone • (800) 252-9117 • (562) 463-5020 • Facsimile (562) 463-5894
www.lahotelretirementfund.org

April 2024

2023 ANNUAL FUNDING NOTICE
LOS ANGELES HOTEL-RESTAURANT EMPLOYER-UNION RETIREMENT FUND

EIN: 95-6098404

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") must 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 required by federal law. This notice is for the plan year beginning January 1, 2023 and ending December 31, 2023 ("Plan Year").

Your pension plan, the Los Angeles Hotel-Restaurant Employer-Union Retirement Fund, is not in reorganization status, is not insolvent, and payments are not being made by the PBGC.

How Well Funded Is Your Plan

The law requires the administrator of the Plan to tell you how well the Plan is funded, using a measure called the "funded percentage." The Plan divides its assets by its liabilities on the Valuation Date for the plan year to get this percentage. 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 shown in the chart below. The chart also states the value of the Plan's assets and liabilities for the same period.

	Plan Year 2023	Plan Year 2022	Plan Year 2021
Valuation Date	January 1, 2023	January 1, 2022	January 1, 2021
Funded Percentage	106.7%	107.4%	104.3%
Value of Assets	$343,226,150	$322,302,846	$267,219,434
Value of Liabilities	$321,691,067	$300,139,512	$256,270,718

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date. They also are "actuarial values." 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 market values and are 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, 2023	December 31, 2022	December 31, 2021
Fair Market Value of Assets	$347,892,233	$299,618,772	$341,761,784

Endangered, Critical or Critical and Declining Status

Under federal pension law, a plan generally is in "endangered" status if its funded percentage is less than 80 percent. A plan is in "critical" status if the funded percentage is less than 65 percent (other factors may also apply). A plan is in "critical and declining" status if it is in critical status and is projected to become insolvent (run out of money to pay benefits) within 15 years (or within 20 years if a special rule applies). 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 or critical and declining status, the trustees of the plan are required to adopt a rehabilitation plan. Funding improvement and rehabilitation plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time. The plan sponsor of a plan in critical and declining status may apply for approval to amend the plan to reduce current and future payment obligations to participants and beneficiaries.

The Plan was not in endangered, critical, or critical and declining status in the 2023 Plan Year.

If the Plan is in endangered, critical, or critical and declining status for the plan year ending December 31, 2024, separate notification of that status has or will be provided.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the valuation date was 22,575. Of this number, 12,088 were current employees, 5,778 were retired and receiving benefits, and 4,709 were retired or no longer working for the employer and have a right to future benefits.

Funding & Investment Policies

Every pension plan must have a procedure to establish a funding policy for plan objectives. A funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan is that the Plan is funded by contributions made by employers pursuant to the terms of collective bargaining agreements with the union that represents the participants in the plan. Additional funding is anticipated from the investment of plan assets. The Plan may also be funded by payments of withdrawal liability from employers if there are partial or complete withdrawals.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. The investment policy of the Plan is that the assets are invested with the goal of attaining a reasonable return above the rate of inflation over the long term. Assets are diversified over a variety of professional investment managers with different investment strategies and types of investment, with the ultimate goal of maximizing return while minimizing volatility.

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:

Asset Allocations	Percentage
1. Stocks	41.9%
2. Investment grade debt instrument	33.4%
3. High-yield debt instruments	4.8%
4. Real estate	8.6%
5. Other (Cash Equivalent, Mutual Funds)	11.3%

These percentages are based on preliminary asset values and subject to confirmation when the annual audit for the Plan Year is completed.

Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the US Department of Labor. The report is called the "Form 5500." These reports contain financial and other information. You may obtain an electronic copy of your Plan's annual report by going to www.efast.dol.gov and using the search tool. Annual reports also are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N1513, Washington, DC 20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator. Annual reports do not contain personal information, such as the amount of your accrued benefit. If you want information about your accrued benefits, you may request that information from your plan administrator. Your plan administrator is identified below under "Where To Get More Information."

Summary of Rules Governing 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 PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected, including loss of a lump sum option.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. The PBGC has separate insurance programs with different benefit guarantees and other provisions for single-employer plans and multiemployer plans. Your Plan is covered by PBGC's multiemployer program. Under the PBGC's multiemployer program, 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, times each year of credited service. The PBGC's maximum guarantee, therefore, is $35.75 per month times a participant's years of credited service.

Example: If a participant with 10 years of credited service has an accrued monthly benefit of $200, 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 ($200/10), which equals $20. The guaranteed amount for a $20 monthly accrual rate is equal to the sum of $11 plus $6.75 (.75 x $9), or $17.75. Thus, the participant's guaranteed monthly benefit is $177.50 ($17.75 x 10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In addition, the PBGC guarantees qualified preretirement survivor benefits (which are preretirement death benefits payable to the surviving spouse of a participant who dies before starting to receive benefit payments). In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under a 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 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.

Where to Get More Information

For more information about this notice, or for specific information about the Plan or your pension benefit from the Plan, please contact the Plan Administrator at the address and phone number below:

Los Angeles Hotel–Restaurant Employer-Union Retirement Fund
c/o Benefit Programs Administration
1200 Wilshire Boulevard, Fifth Floor
Los Angeles, California 90017-1906
Tel: (562) 463-5020

For identification purposes, the Plan sponsor's employer identification number or "EIN" is 95-6098404, the official plan number is #001.

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/prac/multiemployer, or call the PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).

Para Asistencia: Si tiene usted alguna dificultad entendiendo alguna parte de este aviso, haga el favor de llamar por telefono (o ir personalmente) a la Oficina del "Retirement Fund," 1200 Wilshire Boulevard, Fifth Floor, Los Angeles, California 90017-1906, (562) 463-5020, donde empleados que hablan español tendrán mucho gusto en asistirle. Recibo de este reporte no significa que usted necesariamente es "participante" o "beneficiario" si en efecto no ha calificado bajo la regla del Plan.