

BOILERMAKERS NATIONAL FUNDS

**Construction Conference Update
May 26, 2021**

Presented by:

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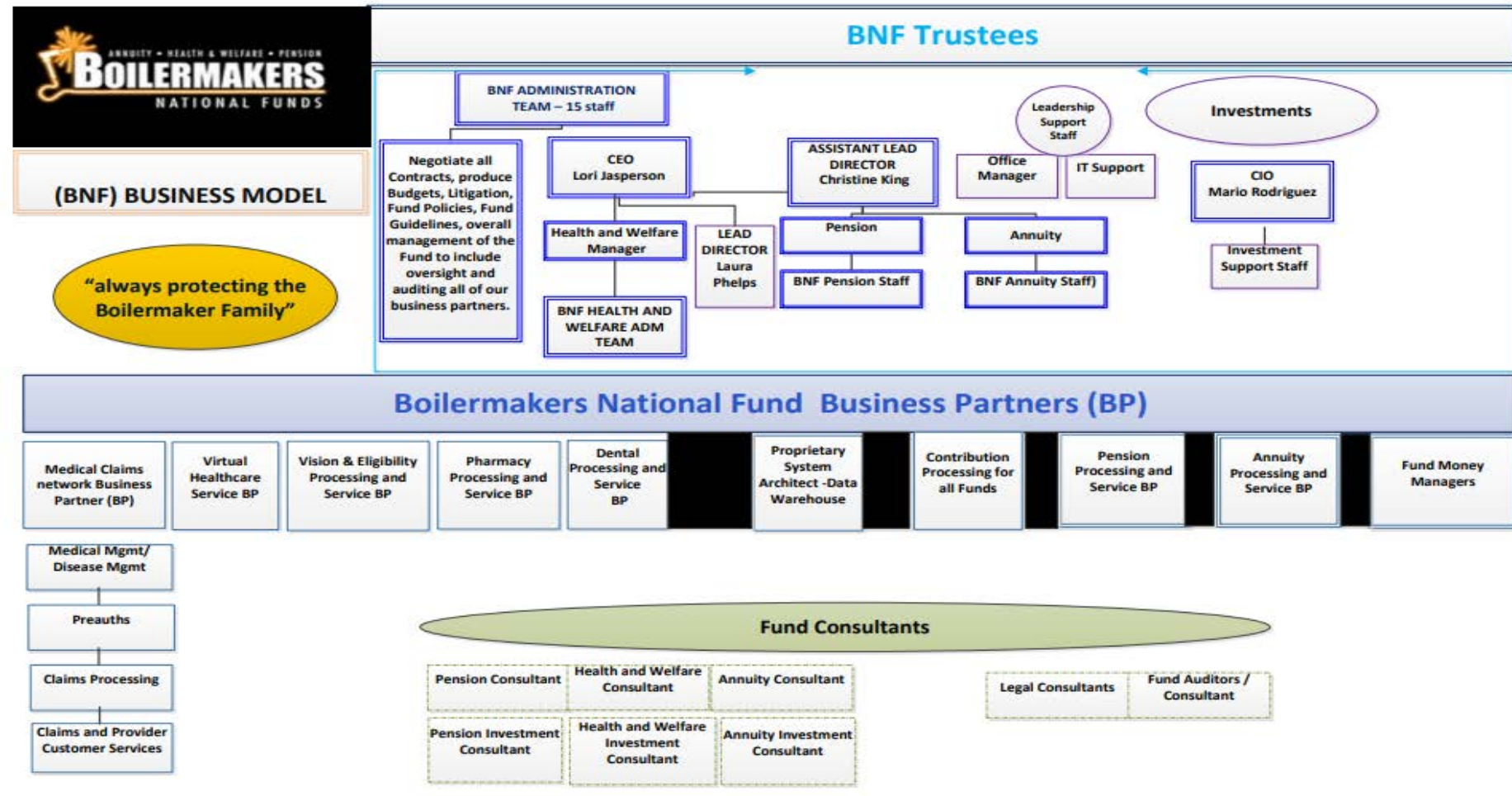


AGENDA

- **BNF Team**
- **Health and Welfare**
- **Annuity**
- **Pension**
- **Agreements**
 - Execution and Timing
 - Reciprocal Agreements
- **Electronic Remittance of Contributions**
- **Cheat Sheet for Locals**
- **Questions?**

BNF TEAM

The BNF team is a small group committed to protecting the Funds and its Participants by working closely with Trustees and the Funds' many business partners to ensure that benefits are administered in accordance with the Health & Welfare, Pension and Annuity Plans.



BNF TEAM

WHAT WE DO:

Protect the Trustees' fiduciary responsibility which is to be prudent and manage the Plans solely in the interest of participants and beneficiaries and for the exclusive purpose of providing benefits and paying plan expenses.

HOW DO WE DO IT:

- Work closely with the Funds' Trustees to choose outstanding business partners and are committed to maintaining exceptional relationships with each one;
- Meet with business partners regularly to monitor goals and obligations;
- Communicate and meet with our business partners to ensure successful administration of the Funds;
- Research and identify cost effective plan design solutions to provide cost savings to the Funds and organizational success, while keeping the Participant's best interest in mind; and
- Oversight of business partners to identify areas of service and/or claims adjudication that may require enhancements and/or improvements.

BNF TEAM

Since 2013, the BNF team has saved **\$864 million** for our Boilermaker Family by performing audits and monitoring our business partners and negotiating business partner contracts.

HEALTH AND WELFARE

Covid-19 Pandemic - Changes were made by the Health and Welfare Trustees in 2020 to help support our Boilermaker families through the COVID-19 pandemic:

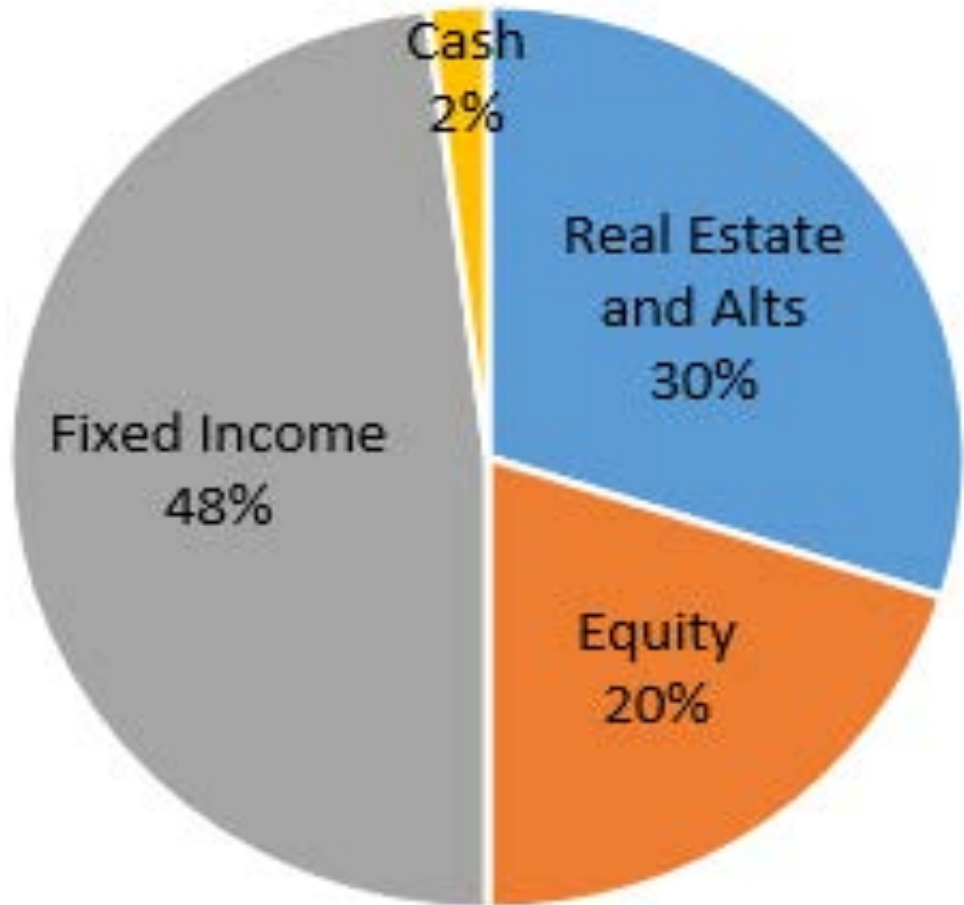
- COVID-19 Hours (non-premium based active eligible participants). A lump sum of 300 COVID-19 hours was granted to participants, when certain qualifications were met, and was limited to one award per participant.
- COVID-19 Visits and Testing. Visits for COVID-19 with in-network providers, whether at a provider's office, urgent care center, or emergency room are payable at 100% of covered expenses. In addition, FDA-approved testing is payable at 100% of covered expenses.
- No Pre-authorization required for the state of New York. For services received in the state of New York, notification requirements and utilization management review requirements for COVID-19 medical care were not required through May 31, 2020.
- COBRA Subsidy. Prior to the American Rescue Plan Act of 2021 being signed into law, the Trustees approved a subsidy to reduce COBRA premiums by 90% beginning August 1, 2020 through October 31, 2020 for individuals who met certain requirements.

HEALTH AND WELFARE

Allocation of Assets and Market Return

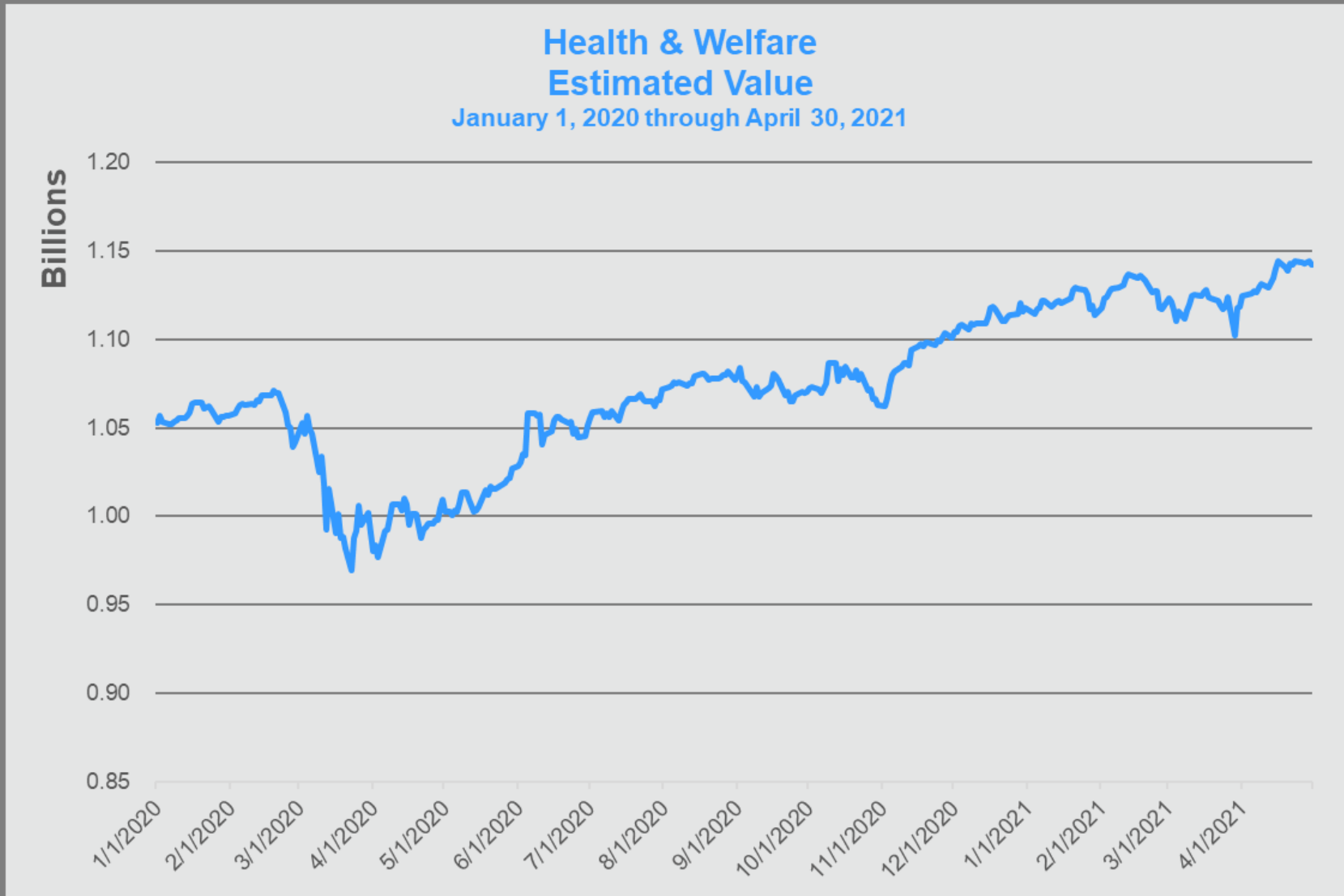
ASSET ALLOCATION AND RETURN

The primary investment objective for the Fund is to maximize the total rate of return with an appropriate level of risk, subject to the preservation of capital and availability of sufficient liquidity to meet benefit obligations. Further, the Fund's investments are allocated in a manner designed to outperform the risk-adjusted return of a composite mix of broad market benchmarks. For the five-year period ending December 31, 2020, the Fund's annualized performance was 6.60%. The estimated market return for 2020 was 8.00%.



HEALTH AND WELFARE

Market Value History



ANNUITY

Covid-19 Pandemic - Changes were made by the Annuity Trustees in 2020 to help support our Boilermaker families through the COVID-19 pandemic:

- Coronavirus Related Distributions (CRDs) to Qualified Individuals – The Trustees allowed a \$5,000 CRD that increased to a \$20,000 maximum CRD. CRDs were allowed through December 30, 2020.
 - Total CRDs processed = 14,007
 - Number of unique individuals that took a CRD = 9,746
 - Total CRD dollars distributed = \$146,140,511
 - Don't forget you have 3 years (thru 12/31/2023) to pay it back to your Annuity Account
- Deferment of Loan repayments for Qualified Individuals – The Trustees allowed loan payments to be deferred through December 31, 2020.
 - Annuity Loans deferred in 2020 = 125
- Waiver of 2020 Required Minimum Distributions (RMD) – These required payments were waived for 2020; however, individuals could opt to take an ordinary distribution or CRD (as long as they qualified) from the Plan.

ANNUITY CONT.

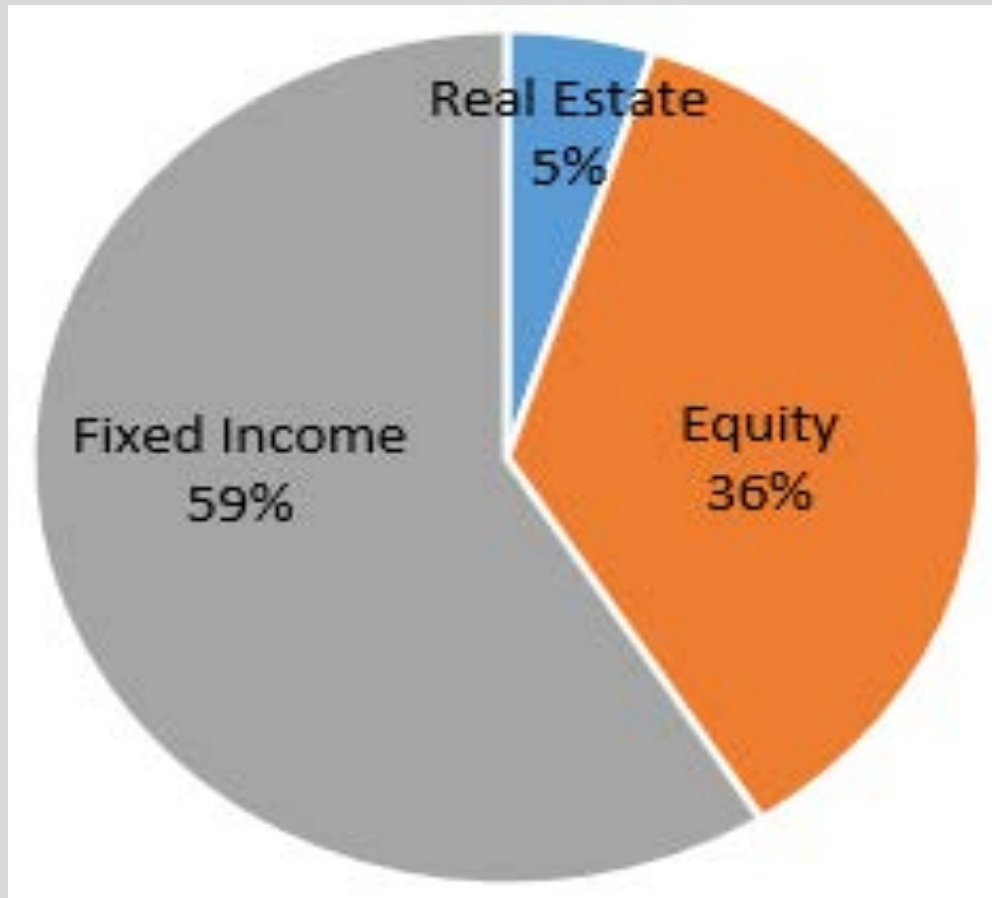
Website Registration Campaign:

We need your help to encourage our Members to register
Visit <https://bnf-kc.com> and click “Check Your Annuity,”
or download the mobile app.



ANNUITY

Allocation of Assets and Market Return



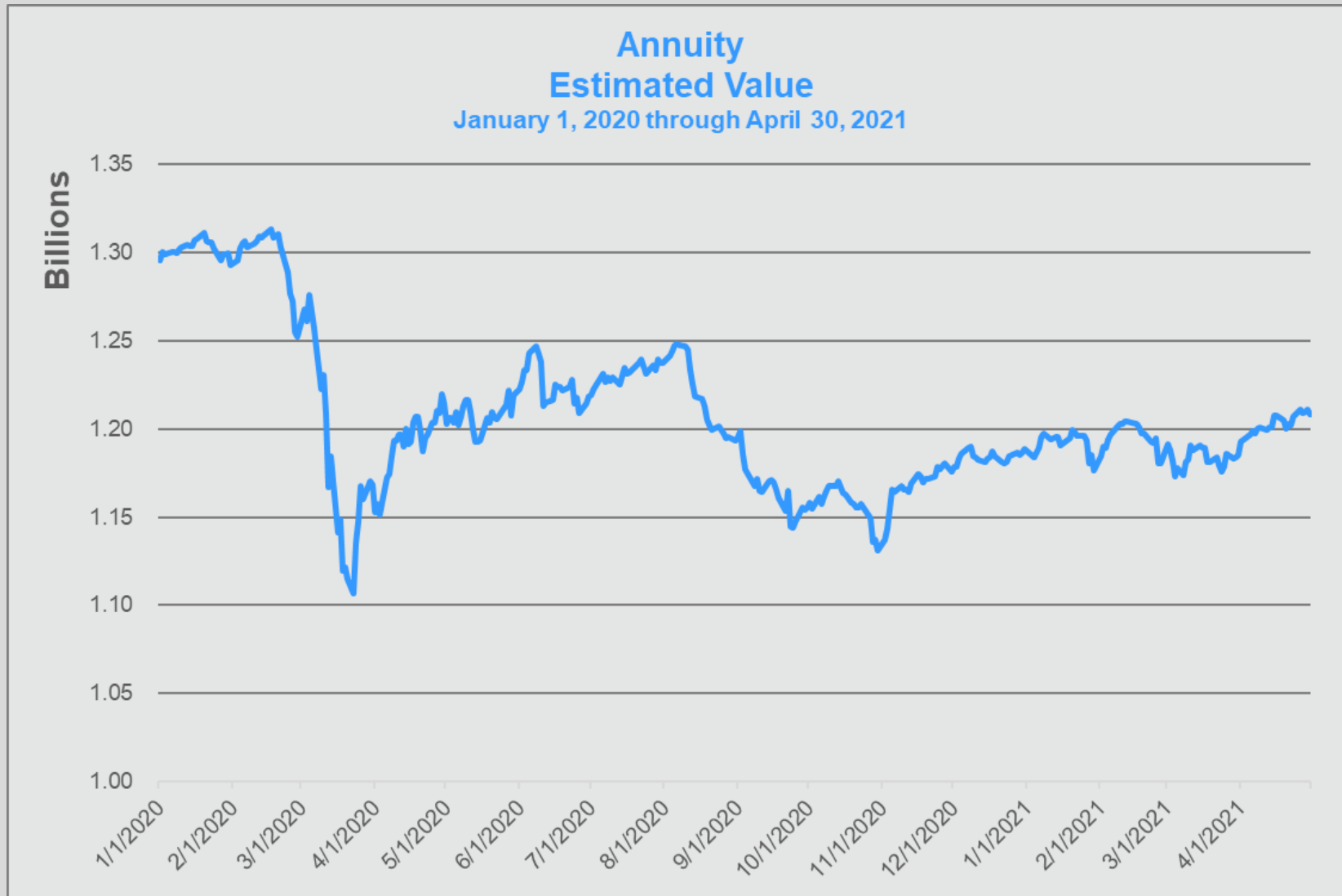
ASSET ALLOCATION AND RETURNS

The primary investment objective of the Boilermakers National Annuity Trust is to generate an appropriate level of risk-adjusted return that will provide a net real return over rolling five-year periods. For the five-year period ending December 31, 2020, the Plan's investment return was approximately 6.66%.

The estimated market return for 2020 was 8.64% net of expenses.

ANNUITY

Market Value History

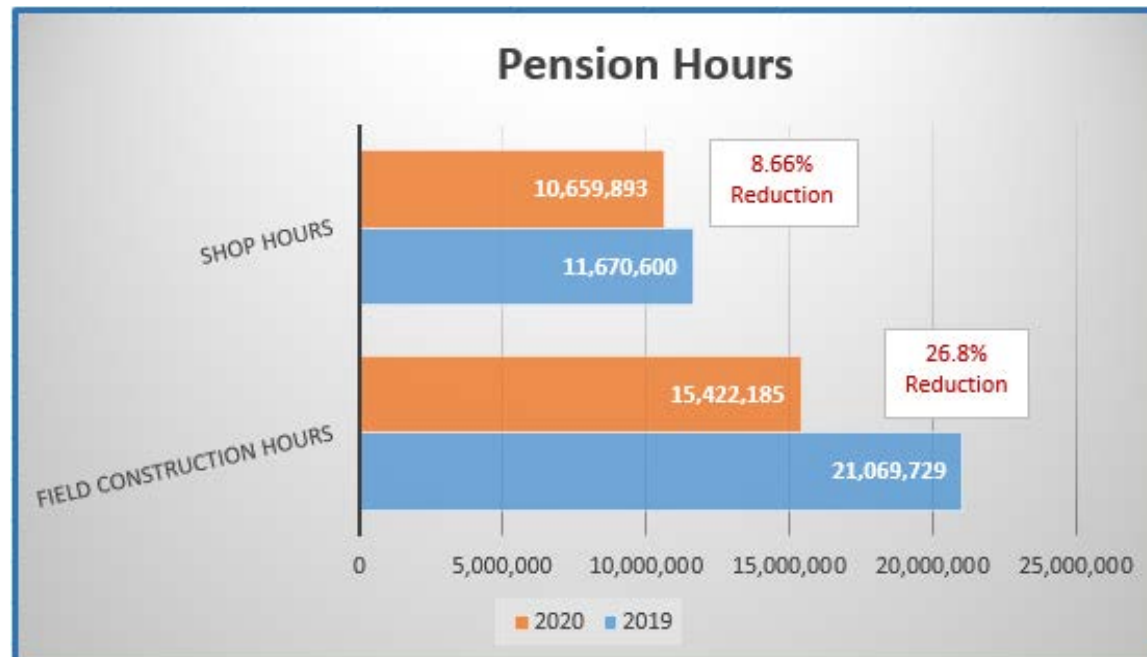


PENSION

Minimum Contribution Rate – 2% yearly increases scheduled through 2024

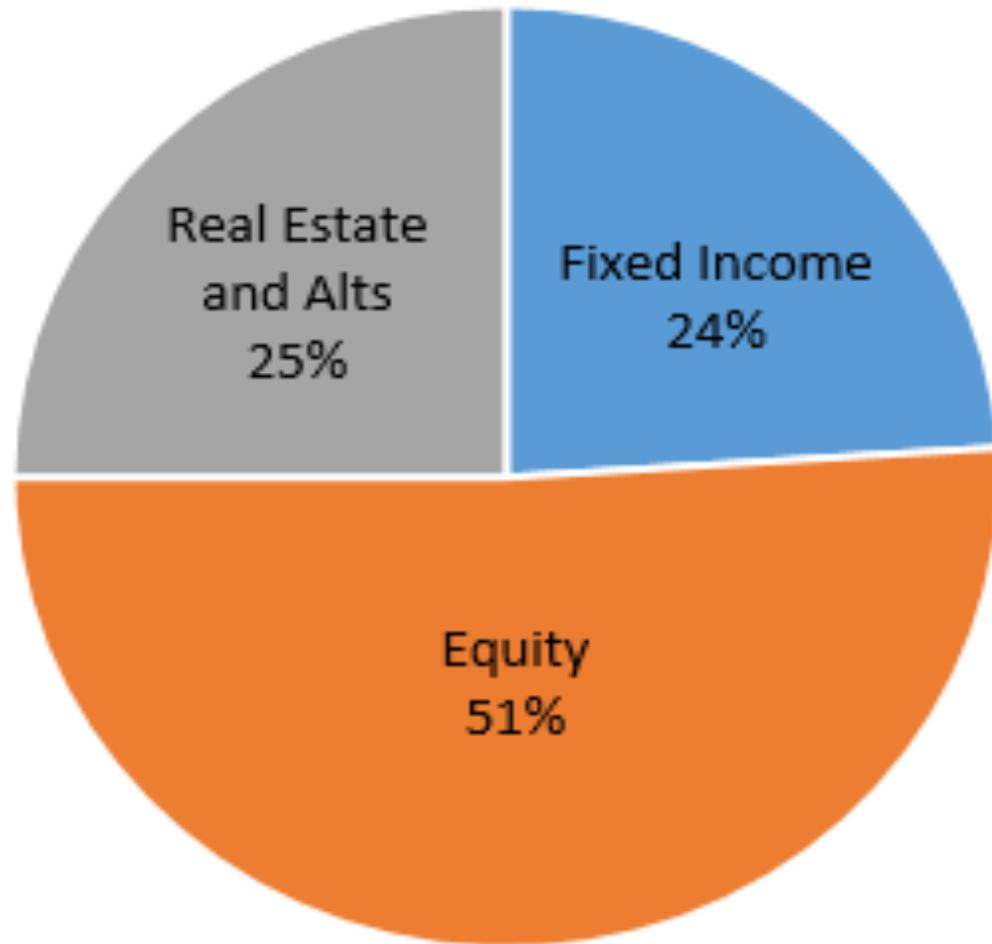
Zone status – 2021 Plan Year status remains in the Yellow Zone at 73.5% funded (compared to 72.6% in 2020)

- 2020 Market Return saved the day at 10.4%
- Number of new Retirees and monthly Pension Benefit Payments trending down since 2019
- 2020 man hours 20% lower than 2019 (26,082,078 in 2020 compared to 32,740,329 in 2019)



PENSION

Allocation of Assets and Market Return

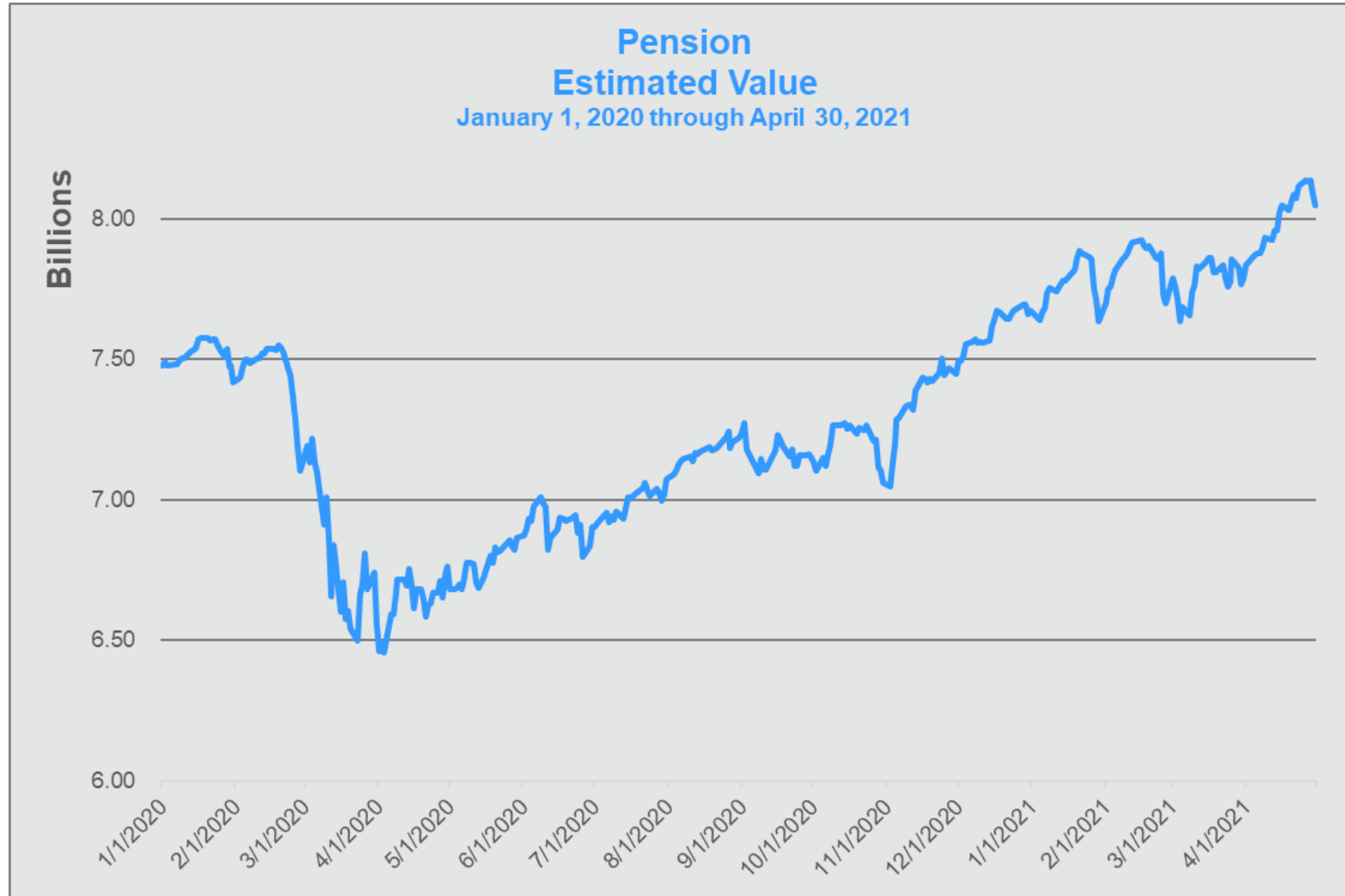


ASSET ALLOCATION AND RETURN

The primary investment objectives of the Fund are to preserve assets and generate an appropriate level of risk-adjusted return sufficient to meet future pension obligations. The Fund's investments are allocated in a manner designed to meet or exceed its actuarial assumed rate of return over rolling five-year periods. For the five-year period ending December 31, 2020, the Fund's annualized investment return was 8.3%. The annualized investment return calculated over the past 35 years (July 1986), is 8.2%. **The market return for 2020 was 10.4%.**

PENSION

Market Value History



AGREEMENTS

Execution and Timing

- A Funds Flash was recently distributed to all CSO Locals as a reminder the Funds office needs valid/current Agreements before contributions are received. When not received timely:
 - Fund office spends a tremendous amount of time tracking down valid/current Agreements
 - Participant's retirement accounts are impacted – Pension and Annuity
 - Health coverage is delayed or terminated
- Reciprocal – The Funds office finds these agreements are often executed after the work has begun or even completed. It is important to our Members to negotiate these agreements up front before the work is performed.

ELECTRONIC CONTRIBUTION

Electronic Remittance of Hours and Contributions:

- Currently over 300 Employers are submitting their monthly contributions reports electronically through a secure BNF portal.
- The Fund now has a second option for online reporting that does not require special IT programming to submit a file. This has been particularly beneficial for our smaller Employers. We will roll-out to Locals once additional programming has been completed to allow for the unique variables allowed under Participation Agreements. However, a couple of Locals have tested and are currently reporting via the new Online Submission tool.
- We will require all Employers throughout the next 6 months to remit via electronic reporting.

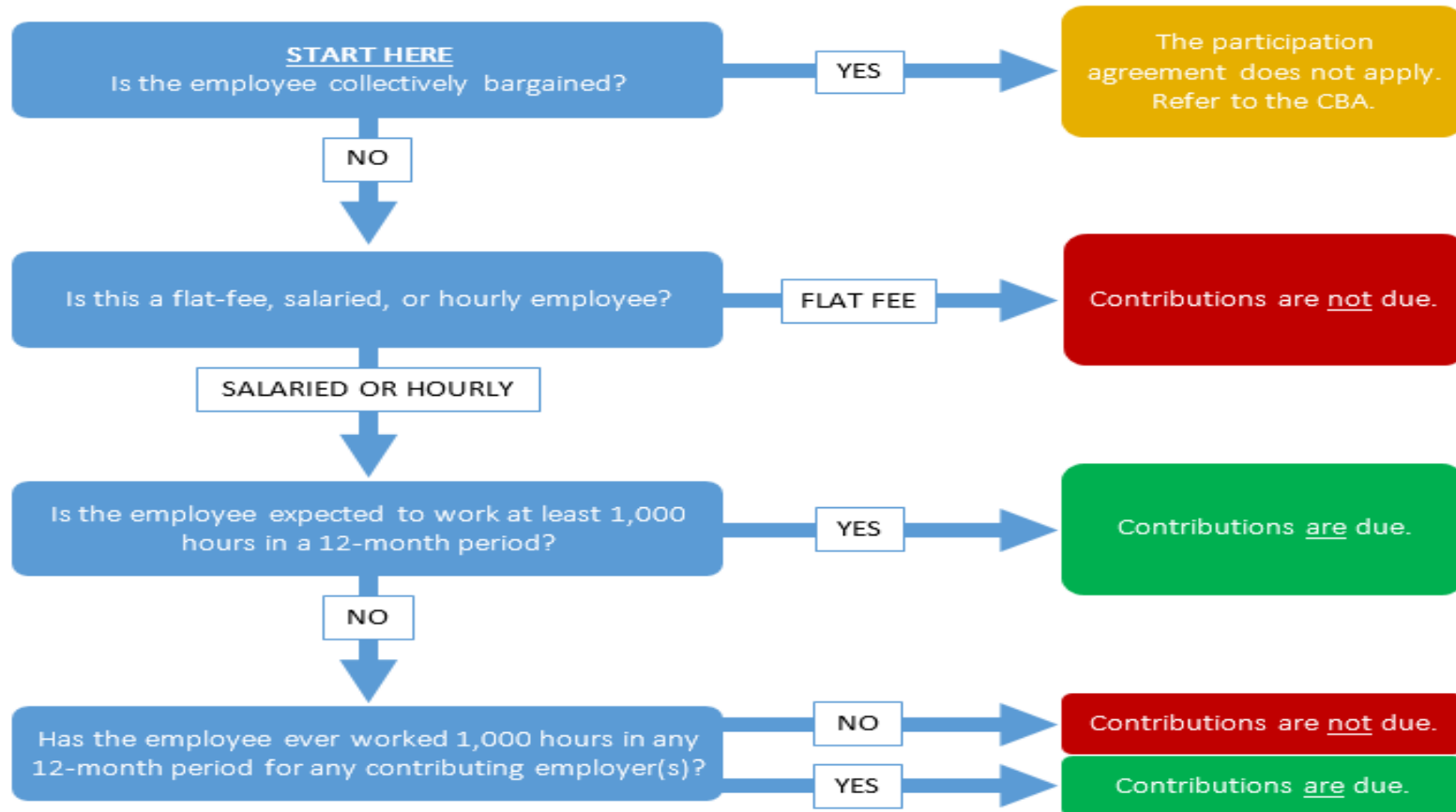
CHEAT SHEET

Contributions under a Participation AG



Does the participation agreement require contributions for this employee?

This flowchart applies to Pension and Annuity only if expected to work 1,000 hours within a 12 month period or has accumulated 1,000 hours in any previous year or with any other contributing Employer(s). Health & Welfare contributions are due for any non-collectively bargained employee who does not have alternative coverage.





“always protecting our Boilermaker family”

BOILERMAKERS

NATIONAL FUNDS

QUESTIONS?