



To: AFM, AFM Locals, and Participants and Beneficiaries Receiving Benefits
From: Board of Trustees of the American Federation of Musicians and Employers' Pension Fund
Date: April 8, 2024

Enclosed are two legally required annual notices – the **Annual Funding Notice** and the **Notice of Critical and Declining Status**. Both contain important information about the financial status of the American Federation of Musicians and Employers' Pension Fund (“AFM-EPF” or “the Plan”). To satisfy the legal requirements, neither of these financial snapshots take the Plan’s application for special financial assistance into account as described below.

The Annual Funding Notice shows the Plan was 48.0% funded as of January 1, 2023 (the *beginning* of the Plan’s fiscal year that ended December 31, 2023). The Notice of Critical and Declining Status reports the Plan’s condition as of the year that began January 1, 2024, at which time it was projected to run out of money in 2035. However, the funding information in these notices **does not** take into account the special financial assistance that we expect to receive under the American Rescue Plan Act (ARPA).

Status of Application for Special Financial Assistance

ARPA allows certain troubled multiemployer pension plans to obtain financial assistance from the federal government through the Pension Benefit Guaranty Corporation (PBGC). The special financial assistance is intended to provide these plans with the amount required to pay all benefits due through the plan year ending in 2051, without reductions in already-earned benefits. The AFM-EPF qualifies for this assistance because it was certified in “critical and declining” status in 2020. This status is described in the enclosed notice.

As of the writing of this letter:

- The AFM-EPF has applied for special financial assistance, and the application is currently under review by the PBGC.
- There was a slowdown in the PBGC’s review process for all applications, including ours, due to a new application requirement that was added by the PBGC. As we explained in the December 2023 issue of *Pension Fund Notes*, we needed to submit an updated application because of this new PBGC requirement. The PBGC’s new requirement had nothing to do with the content or quality of our application and is the result of issues with other funds’ applications that have been previously filed. The PBGC took longer than anticipated to update its internal procedures to address these issues. As a result, the resubmission happened later than we anticipated.
- The PBGC has 120 days to review the application and expects to make the requested payment within 60 to 90 days of approval. Once received, the financial assistance is expected to provide additional security that all benefits will be paid for decades to come.

For the latest information on the application, visit www.afm-epf.org then click on the “Stay Informed” tab at the top of the page and select “*Pension Fund Notes*” and “*Fund Status FAQs*.”

Fiscal Year Change to Calendar Year

As a reminder, this information is now based on a January 1 to December 31 fiscal year and is being sent in April. This is because the Fund changed its fiscal year in 2022 (called the “Plan Year”) from an April 1 to March 31 period to a January 1 to December 31 period. This change **does not** affect how your benefits are calculated since that was always based on the calendar year, not the Plan Year. The change is solely for the Fund’s financial recordkeeping and reporting.

Stay Informed

We plan to update participants with any significant developments on the ARPA application process. To learn more and read updates:

- Visit the Plan’s website at www.afm-epf.org and review the Frequently Asked Questions and other resources available under the “Stay Informed” menu for the most up-to-date information.
- To ensure you receive Plan communications, please register on the website and provide your current contact information to the Fund Office. If you’ve already registered, you can check that your information is up to date by logging into the Participant Portal and clicking “Profile & Settings.”
- Registering on the Plan’s website will sign you up for the *Pension Fund Notes* email newsletter, which contains the latest news and information from the Plan. An archive of past issues is available on the website.

The Fund Office is available to answer questions regarding this notice. There are several ways to contact the Fund Office:

- Send a message using Contact Us on the Fund’s website at www.afm-epf.org
- Send a message to PensionSupport@afmepf.org
- Call (212) 284-1311 or (800) 833-8065

New! You can now complete Part 1 of the pension application online. Thinking about applying for your pension benefit? It’s easier than ever to get the process started. Learn more in the January 2024 issue of *Pension Fund Notes* (visit www.afm-epf.org then click on the “Stay Informed” tab at the top of the page, select “*Pension Fund Notes*” and open the January 2024 issue).