



American Federation
of Musicians &
Employers' Pension Fund



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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 28, 2023

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, both of these financial snapshots predate the Plan's application for special financial assistance described below.

The Annual Funding Notice shows the Plan was 49.4% funded as of April 1, 2022 (the *beginning* of the Plan's fiscal year that ended December 31, 2022). The Notice of Critical and Declining Status reports the Plan's condition as of the year that began January 1, 2023, at which time it was projected to run out of money in 2034. 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).

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 is in “critical and declining” status, as described in the enclosed notice.

On March 10, 2023, the AFM-EPF applied for \$1.5 billion of special financial assistance. The PBGC has 120 days to review the application and expects to make the requested payment within 60 to 90 days of approval. If the PBGC has any issues with our application, we will have the opportunity to withdraw it, address those matters and resubmit.

Fiscal Year Change to Calendar Year

You may have noticed that this information has historically been provided in July based on an April 1 to March 31 fiscal year, but it is now based on a January 1 to December 31 fiscal year and is being sent in April. This is because the Fund recently changed its fiscal year (called the “Plan Year”) from an April 1 to March 31 period to a January 1 to December 31 period. As a result, these notices and future notices will be based on the calendar year, and they will be sent a few months earlier than in the past. 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. As a result of this change, the Fund has one short year, from April 1, 2022 to December 31, 2022, which is the period that is reported with these notices. Future Plan Years will be January 1 to December 31.

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 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 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