SEIU Benefit Funds
PENSION | HEALTH & WELFARE | 401K

April 30, 2021

SEIU National Industry Pension Fund
Cover Letter to 2020 Annual Funding Notice and January 1, 2021 Zone Certification

Given the current economic situation, the Board of Trustees wants to take this opportunity to share some important information with you related to our Pension Plan.

The **Pension Protection Act (PPA) of 2006**—was enacted to improve the financial condition of pension funds. Many of the PPA's provisions relate to funding—how much money a plan has coming in, how much is going out, and what is in reserve (or "in the bank") for the future. PPA also requires multiemployer pension plans to provide all plan participants, beneficiaries, unions, employers and other interested parties with notices regarding plan funding, depending on the circumstances of the plan. You'll find two notices enclosed for your review.

The first notice, the "**Annual Funding Notice**," looks back at the **2020** Plan Year. The Annual Funding Notice reports on the assets and liabilities of the SEIU National Industry Pension Fund and explains the legislation that has been put in place to protect plans like ours.

The second notice is called the "**Zone Certification Notice**." The Zone Certification Notice looks forward at the Plan's **2021** financial status, as required by PPA. Multiemployer pension funds like ours must have their funding status certified each year. Depending on their status, the plans are assigned a zone category:

- **Green zone** pension plans are considered in good financial health
- **Yellow zone** pension plans are considered in endangered status
- **Red zone** pension plans are considered in critical status.

Plans in the green zone are not required to notify participants or to take any action. However, Trustees of plans in the yellow or red zones are required to notify participants, participating employers and union representatives and to take corrective action to restore the financial health of the plan.

Last year, as you'll see in the Annual Funding Notice, our Plan was certified as a red zone pension plan. This year, our Plan has also been certified as a red zone pension plan.

Please take some time to review the enclosed notices.

ANNUAL FUNDING NOTICE

FOR

SEIU NATIONAL INDUSTRY PENSION FUND
April 30, 2021

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, **2020** and ending December 31**, 2020** ("Plan Year").

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.

Funded Percentage			
	2020 Plan Year	**2019 Plan Year**	**2018** Plan Year
Valuation date	**January 1, 2020**	**January 1, 2019**	January 1, **2018**
Funded percentage	78.2%	76.2%	76.5%
Value of assets	$1,293,883,604	$1,221,627,246	$ 1,204,320,220
Value of liabilities	$1,654,442,943	$1,602,522,492	$1,574,697,909

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.

Please note that the asset value as of December 31, **2020** is preliminary, and may change with the final audit.

	December 31, 2020	December 31**, 2019**	December 31, **2018**
Fair Market Value of	$1,467,827,873	$1,335,570,429	$ 1,168,903,191

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 in "critical" status in the Plan Year ending December 31, **2020** because a funding deficiency was projected in the Funding Standard Account within three years. In an effort to improve the Plan's funding situation, on November 25, 2009 the trustees adopted a rehabilitation plan, which provides for three schedules of contribution increases, designed so that the Plan will exit the Red Zone by the end of year 2023. You may obtain a copy of the Plan's "rehabilitation plan", any update to such plan and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement, by contacting the plan administrator.

PARTICIPANT INFORMATION

The total number of participants and beneficiaries covered by the Plan on the valuation date was **118,999**. Of this number, **46,326** were current employees, **21,865** were retired and receiving benefits, and **50,808** 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 the level of contributions needed to pay for benefits promised under the plan currently and over the years. The plan is funded by contributions made by employers pursuant to collective bargaining agreements with the unions that represent the plan's participants. There are no employee contributions to this Plan.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries. Specific investments are made in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy of the Plan is to earn a rate of return in excess of the actuarial assumption of **7.25%** over rolling 5-year periods while controlling risk and commensurate with market conditions. In order to manage these conditions, a strategy of diversification and varying asset allocations may be employed. This may include but is not limited to type of asset class, style and amount of investment managers, capitalization sizes, and correlation between investments. Invested assets are managed within the SEIU Pension Plans Master Trust, which pools and invests the assets of the defined benefit pension plans administered by the SEIU Benefit Funds Office. Assets shall be invested in a manner consistent with the fiduciary standards contained in the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated there under and applicable federal and state laws and regulations. All transactions undertaken on behalf of the Fund must be in the sole interest of the Fund and its participants and beneficiaries.

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 requires long-term investment objectives, investment class allocation and investment guidelines, in an ethically, environmentally and socially responsible fashion, with the objective of achieving a rate of return equal or in excess of the actuarial assumption over a protracted period of time, while controlling risks. 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**
Stocks	55.2%
Investment grade debt instruments	18.5%
High-yield debt instruments	0%
Real estate	10.7%
Other	15.6%

EVENTS HAVING A MATERIAL EFFECT ON ASSETS OR LIABILITIES

The attached notices do not reflect the enactment of the American Rescue Plan Act of 2021 (ARPA) on March 11, 2021. The Board of Trustees anticipates guidance from PBGC in July that will clarify certain provisions in the new law. Following the issuance of guidance, the Trustees will be in a better position to assess and make decisions regarding any available relief provisions under ARPA. If applicable and adopted, such provisions could have an effect on the plan's zone certification and minimum funding requirements.

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 N-1513, 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. You may contact your plan administrator if you want information about your accrued benefits. 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. There are 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. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first $11of 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 1: If a participant with 10 years of credited service has an accrued monthly benefit

of $600, 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 ($600/10), which equals $60. The guaranteed amount for a $60 monthly accrual rate is equal to the sum of $11plus $24.75 (.75 x $33), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 x 10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of $200, the accrual rate for purposes of determining the guarantee would be $20 (or $200/10). 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 would be $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.

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/multiemployer. Please contact your employer or plan administrator for specific information about your pension plan or pension benefit. PBGC does not have that information. See "Where to Get More Information About Your Plan," below.

WHERE TO GET MORE INFORMATION

For more information about this notice, please use the appropriate contact information below.

If you are a plan **participant** and you need additional information about your **pension benefits**, please contact our Call Center.

1.800.458.1010
Monday – Friday
9 a.m. – 5:30 p.m. EDT

If you are an **employer** and need **additional information**, please email us at:
contributioncompliance@seiufunds.org

If you have any question about plan **investments**, please contact Tsegaw Mengistu at:
tsegaw.mengistu@seiufunds.org

For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 52-6148540. For more information about the PBGC and benefit guarantees, go to PBGC's website, www.pbgc.gov, or call 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.

Notice of Critical Status

For

SEIU National Industry Pension Fund

April 30, 2021

EIN: 52-6148540 Plan Number: 001

To: Participants, Beneficiaries, Participating Unions, and Contributing Employers

The Pension Protection Act of 2006 requires that the Plan's actuary determine annually the Plan's financial status under specific rules. This Notice is to inform you that on **March 31, 2021**, the Plan's actuary certified to the U.S. Department of the Treasury, and also to the Trustees, that the Plan remains in critical status (the "red zone") for the plan year beginning January 1, **2021**. Federal law requires that you receive this notice.

Critical Status

The Plan was first considered to be in critical status (that is, in the "red zone") for the Plan Year beginning January 1, 2009. In order to emerge from critical status, the Plan would need to have no accumulated funding deficiency projected for 10 years. The Plan's actuary has determined that the Plan is projected to have an accumulated funding deficiency within 10 years; therefore, the Plan continues to be certified as critical status for **2021**.

The American Rescue Plan Act of 2021 (ARPA) was signed into law on March 11, 2021. Among other things, ARPA provides financial assistance to multiemployer pension plans with solvency issues. Specifically, multiemployer plans that meet specific eligibility requirements may receive "special financial assistance" from the Pension Benefit Guaranty Corporation (PBGC). The Board of Trustees anticipates guidance from PBGC in July that will clarify certain provisions in the new law. The Board of Trustees will review such guidance once issued for any applicability to the Plan.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The rehabilitation plan may include changes to the benefits you earn in the future. In addition, the law permits pension plans in the red zone to reduce, or even eliminate, certain features of benefits you have already earned – these features are called "adjustable benefits" – as part of a rehabilitation plan. When the Plan first entered the red zone in 2009, the Trustees adopted a number of plan changes and contribution adjustments anticipated to bring the Plan out of the red zone in no more that thirteen years from the start of the Rehabilitation Period, as required under law. You have received separate notifications identifying and explaining the benefit changes on November 25, 2009 and December 30, 2009. Please refer to those notifications for details, or contact the Fund Office.

Please note that, according to the rehabilitation plan, the Plan is expected to remain in the red zone until the end of the rehabilitation period. The fact that the Plan is in the red zone this year is expected and does not mean that further Plan changes are necessary. As you know, certain adjustable benefits have already been reduced or eliminated as part of the rehabilitation plan adopted in 2009; the timing of some of these changes are dependent on adoption of schedules in collective bargaining. There is no indication that the Trustees intend to make any additional changes to adjustable benefits. There is no expectation that any other benefit reductions will be necessary in the future if progress continues to be made under the existing rehabilitation plan. Should any further changes be necessary under the rehabilitation plan, you will receive a separate notice in advance identifying and explaining the effect of any such changes. As always, any reduction in adjustable or other benefits will not reduce the level of a participant's already-earned benefit payable at the Plan's normal retirement age of 65, nor can they affect the benefits of those who were already in pay status on the date of the initial notice of critical status in April 2009.

Employer Surcharges

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the plan. A 5% surcharge was applicable in the initial critical year (2009) and a 10% surcharge was applicable in 2010 and for each succeeding plan year thereafter in which the plan is in critical status, until the bargaining parties agree to a collective bargaining agreement that implements one of the contribution schedules in the Rehabilitation Plan

What's Next

The law requires that the Plan's funding status be reviewed each year and certified annually, so you will receive a notice similar to this each year that the Plan is certified to be in critical or endangered status. You will also receive formal Annual Funding Notices that present additional historical information about the Plan's funding status.

Where to Get More Information

For more information about this Notice, you may contact:

SEIU National Industry Pension Fund
SEIU Benefit Funds Office
1800 Massachusetts Avenue, NW, Suite 301
Washington DC, 20036
(202) 730-7500
(800) 458-1010
contributioncompliance@seiufunds.org