Fund

American Federation of Musicians &
Employers' Pension Fund

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ANNUAL FUNDING NOTICE

For Plan Year Beginning January 1, 2024 and Ending December 31, 2024 For
American Federation of Musicians and Employers' Pension Fund ("AFM-EPF")

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, 2024 and ending December 31, 2024 ("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*		
	January 1, 2024 to December 31, 2024	**January 1, 2023 to December 31, 2023**	**April 1, 2022 to December 31, 2022**
Valuation Date	January 1, 2024	January 1, 2023	April 1, 2022
Funded Percentage	45.9%	48.0%	49.4%
Actuarial Value of Assets	$1,653,602,785	$1,696,264,511	$1,733,484,653
Actuarial Value of Liabilities	$3,603,063,838	$3,532,154,924	$3,511,565,128

In accordance with Treasury Department guidance, the funded percentage and asset values in the chart above do not reflect the Special Financial Assistance paid to the Plan by the Pension Benefit Guaranty Corporation under the American Rescue Plan Act in August 2024. If the $1,527,839,375 of Special Financial Assistance paid in August 2024 were to be reflected in the above chart, the funded percentage for the 2024 plan year would be 88.3%** and the value of assets would be $3,181,442,160.*

**Reflects Special Financial Assistance of $1,440,137,839 plus $87,701,536 (interest since December 31, 2022) that was paid to the Plan in August 2024 combined with the actuarial value of the Plan's non-Special Financial Assistance assets as of January 1, 2024.

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. Additionally, the asset values in the chart above do not include the amount of the Special Financial Assistance account, which reflects the remaining portion of the special financial assistance paid to the Plan by the Pension Benefit Guaranty Corporation under the American Rescue Plan Act.

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. The asset values in the chart below for 2024 include the amount of the Plan's Special Financial Assistance account. The estimated market value funded percentage at the end of 2024 is approximately 86%.

	December 31, 2024*	**December 31, 2023**	**December 31, 2022**
Fair Market Value of Assets	$3,120,502,843	$1,655,415,601	$1,660,892,150

*Estimated

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. Under the American Rescue Plan Act of 2021, the plan sponsor of a plan in critical or critical and declining status may apply for financial assistance from the PBGC. The assistance is intended to provide these plans with the amount required to pay all benefits and administrative expenses through the plan year ending in 2051, without reductions in already-earned benefits. As noted earlier, the AFM-EPF received approximately $1.53 billion in Special Financial Assistance in August 2024.

Under federal pension law, the Plan is considered to be in critical status in the Plan Year ending December 31, 2024 because the Plan received Special Financial Assistance from the Pension Benefit Guaranty Corporation under the American Rescue Plan Act. The trustees of a plan in critical status must adopt a rehabilitation plan. A rehabilitation plan establishes steps and benchmarks for pension plans to improve their funding status over a period of time.

In an effort to improve the Plan's funding situation, the Plan's Board of Trustees ("Board") adopted its initial rehabilitation plan (the "Rehabilitation Plan") on April 15, 2010, which was intended to help the Plan improve its funded status through various benefit reductions and, generally, a 9% increase in the rate of employer contributions. The Rehabilitation Plan originally employed reasonable measures to enable the Plan to emerge from critical status at a later date than the 10-year rehabilitation period. As the Plan was not projected to emerge from critical status (either during the 10-year rehabilitation period that began April 1, 2013 or otherwise), the Rehabilitation Plan was restated in 2016 to employ reasonable measures to forestall insolvency and it does not have a definite term. The Rehabilitation Plan was further updated in 2018 to require an additional 10% increase in the rate of contributions in collective bargaining agreements, or extensions thereof, that expire on or after August 1, 2018 and after the bargaining parties received notice of the update. The additional 10% in the rate of contributions is not used to calculate any participant's benefits under the Plan, but will be used solely to improve the financial health of the Plan.

The Rehabilitation Plan was further updated in 2024 to reflect the Plan's receipt of Special Financial Assistance in 2024 under the American Rescue Plan Act. This update did not change the contribution schedule or the Plan's benefit provisions under the prior updates to the Rehabilitation Plan. Due to the receipt of Special Financial Assistance, the Plan is deemed under the law to remain in critical status through December 31, 2051, even if it would otherwise have emerged prior to that date. The purpose of Special Financial Assistance is to provide the Plan with the additional funding it needs so that it is projected to be able to pay benefits and administrative expenses through 2051. Accordingly, the objective of the Rehabilitation Plan is for the Plan to be able to pay benefits and administrative expenses through 2051.

The Trustees have taken the following legally permitted actions to prevent insolvency: reducing benefits in the Rehabilitation Plan adopted in 2010, changing investment advisors and managers, modifying investment asset allocation, increasing contributions in the Rehabilitation Plan adopted in 2010 and in the 2018 update, reducing administrative expenses and advocating for a legislative solution.

You may obtain a copy of the Plan's Updated and Restated Rehabilitation Plan as of December 2024, and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement. You may get this information by contacting the Fund Office at 1-800-833-8065 or through the "Contact Us" link on the Plan's website (www.afm-epf.org). A copy of the Updated and Restated Rehabilitation Plan is available by written request to the Fund Office and can also be accessed on the Plan's website under "Documents" menu at www.afm-epf.org/RehabUpdate2024.aspx

Because the Plan is in critical status for the Plan Year ending December 31, 2025, a separate notification of that status has been provided in this mailing.

Participant Information

The following chart shows the total number of participants and beneficiaries covered by the Plan as of the last day of the Plan Year and each of the two preceding plan years.

	December 31, 2024*	**December 31, 2023**	**December 31, 2022**
Active participants under the plan	18,420	19,021	18,826
Retired or separated from service and are receiving benefits	18,983	18,999	18,962
Retired or separated participants entitled to future benefits	14,673	14,427	14,026
Total participants	52,076	52,447	51,814

*Preliminary

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 to fund it in accordance with the updated Rehabilitation Plan.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. In brief summary, for the Plan Year ended December 31, 2024, the investment policy of the Plan was to achieve the Plan's goals to generate return on investments that can reasonably be expected to (i) maintain Plan solvency for as long as reasonably possible or (ii) if and when the Plan is projected to maintain its solvency indefinitely, satisfy its benefit liabilities and other obligations at appropriate and achievable funding levels, in both cases, consistent with the investment risk tolerance of the Trustees and their desire to preserve capital by avoiding undue and unjustified risk. Special Financial Assistance assets have an additional objective to cover benefit payment outflows and plan expenses until their depletion, when the benefit payments and plan expenses will be paid out by the Plan's non-Special Financial Assistance assets. The Plan intends to meet these goals by having its Outsourced Chief Investment Officer ("OCIO") select multiple managers and investment vehicles with complementary or diverse investment styles, with each investment intended to play a specific role in the portfolio and each being managed by an investment expert possessing the requisite investment experience, expertise and skill necessary to manage the particular assets, and in the investment style, for which it is selected. The OCIO is charged with the responsibility of selecting and monitoring these professional investment managers and/or commingled vehicles and of allocating the assets of the Plan among those investment managers and vehicles, within established parameters. These established asset allocation parameters seek to achieve the stated investment objectives and to control risk. The Trustees also establish performance benchmarks and guidelines for the OCIO, specifying acceptable and/or prohibited investments, limits on asset and asset class exposures, risk constraints and investment return objectives. The OCIO does the same for the investment managers and commingled funds. The Board regularly monitors the performance of the OCIO, as well as its compliance with the investment policy.

The investment policy was adjusted to reflect the expected receipt of ARPA special financial assistance and to comply with investment requirements for plans that received ARPA special financial assistance. Under applicable special financial assistance regulations, at least two-thirds (67%) of the special financial assistance must be invested in investment grade bonds and up to one-third (33%) may be invested in stocks. In addition, one year of projected benefit payments and administrative expenses are required to be invested in investment grade fixed income.

The average return on the Plan's total assets during the Plan Year was estimated to be 5.3%. 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. The allocations are percentages of the Plan's total assets, which include Special Financial Assistance paid to the Plan and earnings thereon.

Asset Allocations	Percentage
■ Cash (interest bearing and non-interest bearing)	3.44%
■ U.S. Government securities	8.55%
■ Corporate debt instruments (other than employer securities)	
■ Preferred	
■ All other	8.48%
■ Corporate stocks (other than employer securities):	
■ Preferred	
■ Common	1.12%
■ Partnership/joint venture interests	32.84%
■ Real estate (other than employer real property)	
■ Loans (other than to participants)	
■ Participant loans	
■ Value of interest in common/collective trusts	43.95%
■ Value of interest in pooled separate accounts	
■ Value of interest in master trust investment accounts	
■ Value of interest in 103-12 investment entities	
■ Value of interest in registered investment companies (e.g., mutual funds)	1.61%
■ Value of funds held in insurance co. general account (unallocated contracts)	
■ Employer-related investments:	
■ Employer Securities	
■ Employer real property	
■ Buildings and other property used in plan operation	0.01%
■ Other	

For information about the Plan's investment in the following type of investment – common/collective trusts and registered investment companies (e.g., mutual funds) contact American Federation of Musicians and Employers' Pension Fund by phone at 1-800-833-8065, by email through the "Contact Us" link on the Plan's web site (www.afm-epf.org) or by mail to 14 Penn Plaza, 12th Floor, P.O. Box 2673, New York, New York 10117-0262.

Events Having a Material Effect on Assets or Liabilities

By law this notice must contain a written explanation of new events that have a material effect on plan liabilities or assets. This is because such events can significantly impact the funding condition of a plan. For the Plan Year, the Plan received $1,527,839,375 of Special Financial Assistance on August 12, 2024. Because the Plan received Special Financial Assistance from PBGC under the American Rescue Plan Act, the Plan is required to be administered in accordance with conditions described in PBGC regulations. These conditions relate to benefit increases; allocation of plan assets; reductions in employer contribution rates; diversion of contributions to, and allocation of administrative expenses to, other benefit plans; transfers or mergers; and withdrawal liability. Under certain circumstances, a plan may request approval from PBGC for an exception from the conditions relating to benefit increases, reductions in employer contribution rates, transfers or mergers, and withdrawal liability.

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. The annual report is also on the Plan's website at https://afm-epf.org/StayInformed/Form5500.aspx. 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 the 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, if any.

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 the PBGC's multiemployer program. Specifically, 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 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 $11 plus $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/prac/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" below.

Prohibition Against Future MPRA Suspensions

Because the Plan received special financial assistance, the Plan may not submit an application to the Secretary of the Treasury to suspend or reduce your benefits in the future under the Multiemployer Pension Reform Act, also known as MPRA.

Where to Get More Information

For more information about this notice, you may contact the Fund Office by phone to Customer Service at 1-800-833-8065, by e-mail through the "Contact Us" link on the Plan's web site (www.afm-epf.org) or by mail to 14 Penn Plaza, 12th Floor, P.O. Box 2673, New York, New York 10117-0262. For identification purposes, the official plan number is 001, the plan sponsor is the Board, and the plan sponsor's employer identification number or "EIN" is 51-6120204.