



Fund

American Federation
of Musicians &
Employers' Pension Fund



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To: Contributing Employers

From: Board of Trustees of the American Federation of Musicians and Employers' Pension Fund

Date: July 29, 2022

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”).

The Annual Funding Notice shows the Plan was 49.9% funded as of April 1, 2021. (The Annual Funding Notice shows the funded percentage as of the *beginning* of the Plan's fiscal year that ended this March, while the Notice of Critical and Declining Status reports the Plan's condition as of the year that began this April.) The downward trend in funded status is projected to continue, exacerbated by the significant decline in employer contributions due to the COVID-19 pandemic and related industry shutdowns. The estimated funded percentage as of April 1, 2022 is 49.2%.

Financial Assistance Under the American Rescue Plan Act (ARPA)

The funding information in these notices does not take into account the financial assistance that we expect to receive under ARPA. This law, enacted in March 2021, allows certain troubled multiemployer pension plans to obtain financial assistance from the federal Pension Benefit Guaranty Corporation (PBGC). The 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, and intends to apply for assistance.

The PBGC is accepting applications in priority order, generally focusing first on plans in the worst financial condition. The PBGC estimates that about 80 plans are in the higher priority groups. Because the AFM-EPF is still over a decade away from insolvency, it is among the more than 120 plans that are not in the higher priority groups, so it may not be able to apply until March 2023. Regardless of when it applies, the Plan will still receive the funding it needs so that it is projected to be able to pay benefits due through the plan year ending in 2051.

The PBGC will specify at a later time exactly when it will accept applications from our group, but we expect that the date will be no later than March 11, 2023.

The Plan will continue paying benefits as usual while we wait for ARPA assistance. The Plan is projected to remain solvent for a number of years, well beyond the 2026 deadline for submitting an ARPA application.

On July 6, 2022, the final regulations for ARPA assistance were published. We are reviewing these regulations and will provide more information once we know more about how they impact the AFM-EPF.

Stay Informed

We plan to provide updates on significant developments with the ARPA application process. Additional information about these and other topics is available on the Plan website (www.AFM-EPF.org) under the Stay Informed menu.

In addition, we have enclosed an **Employer Address Update Form**, if needed. If someone else in your organization should be receiving information directly from the Fund Office, please be sure to use this form to provide the necessary contact information.

The Fund Office is available to answer questions regarding this notice. You can send an email using Contact Us on the Plan's website at www.AFM-EPF.org. Or, you can call the Fund Office at (212) 284- 1311 or (800) 833-8065.