CENTRAL STATES
PENSION FUND

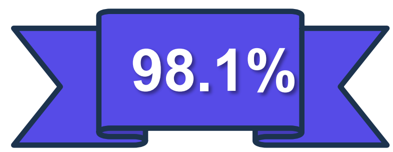
SINCE 1955

April 2026

Dear Participant or Beneficiary:

We are pleased to share good news about the financial health of Central States Pension Fund.

As of January 1, 2025, the Fund is **98.1% funded**, placing it in excellent financial condition. All Fund assets are invested in highly secure U.S. Treasury and investment-grade corporate bonds, and the Fund is on track to become fully funded in the near future.



Enclosed with this letter are two notices that federal pension regulations require us to provide each year:

- **2025 Annual Funding Notice** – This notice reports the Central States' funded percentage as of January 1, 2025. **By law, it must exclude** the **$35.8 billion in special financial assistance (SFA)** the Fund received in 2023, even though those funds support the Plan's long-term financial strength.

- **2026 Notice of Critical Status** – Federal pension law requires all plans that receive SFA to remain classified as being in "critical status" until 2051, regardless of how well funded they are.

Because of the SFA received in 2023, Central States is no longer projected to become insolvent and is expected to remain well funded well into the future. The required notices do not change that reality.

For over 70 years, Central States has provided retirement security to more than 690,000 retirees and their families. That commitment remains strong. Retirees can be confident that their benefits are secure, and active participants can continue working toward retirement knowing the pensions they have earned will be there when they need them.

Sincerely,

Thomas C. Nyhan
Executive Director

8647 West Higgins Road, Chicago IL 60631 | MyCentralStatesPension.org

✅ **What this means for you**

- Your **monthly pension benefits are secure**.
- The Fund's financial condition is **strong and stable**.
- The term **"critical status"** is a regulatory label required by law and **does not necessarily reflect financial distress**.
- Special financial assistance received in 2023 is **supporting long-term benefit security**, even though it is excluded from the formal notices.

This summary is provided for convenience only. The enclosed notices control if there is any difference.

FAQ: Understanding "Critical Status"

Why do the notices say the Fund is in "critical status"?

Federal pension law requires any plan that received special financial assistance to remain labeled as "critical" until 2051, regardless of funding strength.

Does "critical status" mean the Fund is in trouble?

No. As of January 1, 2025, Central States was 98.1% funded and is expected to remain well funded into the future.

Why is special financial assistance (SFA) excluded from the notices?

Federal rules require SFA to be excluded from the formal funding calculation shown in the notices, even though the funds support the Plan's long-term stability.

Are retiree benefits affected by critical status?

No. Retirees continue to receive their full monthly benefits.

Does critical status affect active participants?

No. Active participants continue earning benefits under the Plan as they work.

Could benefits be reduced in the future?

The Fund is no longer projected to become insolvent due to the SFA received in 2023.

For more information visit the Fund's website MyCentralStatesPension.org or call Participant Services at 800-323-5000

2025 ANNUAL FUNDING NOTICE
FOR
CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS
PENSION PLAN

Introduction

This notice provides key details about your multiemployer pension plan (the “Plan”) for the plan year beginning January 1, 2025 and ending December 31, 2025 (“Plan Year”).

This is an informational notice. You do not need to respond or take any action.

This notice includes:

- Information about your Plan’s funding status.
- Details on your benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency.

What if I have questions about this notice, my Plan, or my benefits?

Contact your plan administrator at:

Central States, Southeast and Southwest Areas Pension Plan
c/o Thomas C. Nyhan, Executive Director
8647 West Higgins Road
Chicago, IL 60631
Phone: 1-800-323-5000

To better assist you, provide your plan administrator with the following information when you contact them:

- **Plan Number:** 001

- **Plan Sponsor Name:** Trustees of the Central States, Southeast and Southwest Areas Pension Plan

- **Employer Identification Number:** 36-6044243

What if I have questions about PBGC and the pension insurance program guarantees?

Visit www.pbgc.gov/prac/multiemployer for more information. For specific information about your pension plan or pension benefits, you should contact your employer or plan administrator as PBGC does not have that information.

Federal law requires all traditional pension plans, also known as defined benefit pension plans, to provide this notice every year regardless of funding status. This notice does not mean your Plan is terminating.

How Well Funded Is Your Plan?

The law requires the Plan's administrator to explain how well the Plan is funded, using a measure called the "funded percentage." The funded percentage is calculated by dividing Plan assets by Plan liabilities. In general, the higher the percentage, the better funded the plan. The chart below shows the Plan's funded percentage for the Plan Year and the two preceding plan years. It also lists the value of the Plan's assets and liabilities for those years.

Funded Percentage			
	2025 Plan Year	2024 Plan Year	2023 Plan Year
Valuation Date	January 1, 2025	January 1, 2024	January 1, 2023
Funded Percentage	16%	15%	14%
Value of Assets	$5,938,770,504	$6,194,022,775	$5,937,242,356
Value of Liabilities	$37,737,312,831	$41,421,589,600	$42,334,779,122

In accordance with Treasury Department guidance, the funded percentage and asset values in the chart above do not reflect the special financial assistance ("SFA") paid to the Plan by the PBGC under the American Rescue Plan Act ("ARPA"). **If the SFA were to be reflected in the above chart, the funded percentage as of January 1, 2025, is 98.1% and the value of assets is $37,023,030,615**.

Year-End Fair Market Value of Assets

To provide further insight into the Plan's financial position, the chart below shows the fair market value of the Plan's assets on the last day of the Plan Year and each of the two preceding plan years as compared to the actuarial value of the Plan's assets on the Valuation Date.

- **Actuarial values (shown in the chart above)** account for market fluctuations over time. Unlike market values, actuarial values do not change daily with stock or market shifts.

- **Market values (shown in the chart below)** fluctuate based on investment performance, providing a more immediate snapshot of the plan's funding status.

However, because of the Plan's post-SFA investment policy, the actuarial value of assets above are the same as the market value of assets for the January 1, 2024 and January 1, 2025 Valuation Dates. Additionally, the asset values in the chart above do not include the amount of the SFA paid to the Plan by the PBGC under the ARPA and any amount of withdrawal liability receivables. The asset values in the chart below include the amount of the SFA received by the Plan on January 12, 2023.

	December 31, 2025	December 31, 2024	December 31, 2023
Fair Market Value of Assets	$38,338,530,996	$38,345,142,157	$41,776,279,289

Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan's funding status determines the steps a plan must take to strengthen its finances and continue paying benefits:

- **Endangered:** The plan's funded percentage drops below 80 percent. The plan's trustees must adopt a funding improvement plan.

- **Critical:** The plan's funded percentage falls below 65 percent or meets other financial distress criteria. The plan's trustees must implement a rehabilitation plan.

- **Critical and Declining:** A plan in critical status is also designated as critical and declining if projected to become insolvent—meaning it will no longer have enough assets to pay out benefits—within 15 years (or within 20 years under a special rule). The plan's trustees must continue to implement the rehabilitation plan. The plan's sponsor may seek approval to amend the plan, including reducing current and future benefits.

Under federal pension law, the Plan was considered to be in critical status in the Plan Year because the Plan received SFA from the PBGC under the ARPA.

To improve the Plan's funding situation, the trustees adopted a rehabilitation plan on March 25, 2008, and the trustees have made subsequent updates to the rehabilitation plan. The rehabilitation plan was expected to last indefinitely. The rehabilitation plan generally requires, as a condition of maintaining current benefit levels (with the limitation that benefits are not payable prior to age 57), that all contributing employers enter into contracts providing for 8% annual pension contribution rate increases in the early years, followed by 4%-6% increases in later years (the rehabilitation plan's "Primary Schedule"); however, under a 2023 amendment to the rehabilitation plan, the required annual contribution rate increases under the Primary Schedule will be phased out as employers enter into new contracts after April 3, 2023. Further, contribution rate increases are not required beyond $69.60 per day or $344 per week for employers whose participants are covered under Benefit Class 18+, and $68.40 per day or $338 per week for all other employers. As required by law, the rehabilitation plan also includes a "Default Schedule" which eliminates various "adjustable benefits." The Default Schedule requires 4% annual contribution rate increases, and reduces or eliminates all "early retirement," pre-age 65 benefit subsidies for bargaining units that agree to adopt it, or units that become subject to it by operation of law. In many instances, the rehabilitation plan also eliminates the adjustable benefits of bargaining units that withdraw completely from participation in the Plan, by (for example) agreeing to a new collective bargaining agreement that eliminates the contribution obligation to the Plan. The rehabilitation plan defines withdrawals of this type, which cause a loss of adjustable benefits, a "Rehabilitation Plan Withdrawal." Under the Default Schedule or a Rehabilitation Plan Withdrawal, the benefits of participants who retire prior to age 65 are reduced under an actuarial equivalency table.

Also, the rehabilitation plan includes a Distressed Employer Schedule that applies to participants whose last year of Contributory Service Credit was earned with Yellow Corporation companies (including YRC Inc. and USF Holland LLC). Generally, the Distressed Employer Schedule has a benefit structure similar to the Default Schedule with certain exceptions for participants that had retired prior to September 24, 2010, or met certain age and service requirements as of the date of the Distressed Employer's termination of participation in the Fund.

In addition, the rehabilitation plan includes a New Employer "Hybrid Method" Schedule. This schedule applies to those employers that qualify as New Employers under the Plan's "hybrid withdrawal liability method." Generally, an employer is a New Employer if: (1) the employer never had an obligation to contribute to the Plan for any period prior to October 14, 2011; or (2) the employer had an obligation to contribute to the Plan before October 14, 2011, and the employer satisfied its withdrawal liability obligations to the Plan but has agreed to continue contributing to the Plan for a period of time at a specified minimum level. Contribution rate increases are not required for those New Employers that become part of the direct attribution (Hybrid Method) plan.

You may request a copy of the Plan's rehabilitation plan by contacting the plan administrator. You can also ask for any updates to the rehabilitation plan and the actuarial and financial data showing actions taken to improve the Plan's finances.

The Plan is in critical status for the plan year ending December 31, 2026. Separate notification of that status has or will be provided.

Participant and Beneficiary Information

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

Demographic Information			
	December 31, 2025	December 31, 2024	December 31, 2023
Total of Participants and Beneficiaries	323,719	333,423	338,986
Participants Currently Employed	35,900	38,102	36,799
Participants and Beneficiaries Receiving Benefits	183,483	184,334	185,934
Participants and Beneficiaries Entitled to Future Benefits	104,336	110,987	116,253

Funding & Investment Policies

Funding Policy

Every pension plan must establish a funding policy to meet its objectives. The funding policy relates to how much money is needed to pay promised benefits. The Plan's funding policy is established by the Trustees who set contribution rate increases and benefit levels in the rehabilitation plan schedules.

Investment Policy

Pension plans also have investment policies that provide guidelines for making investment management decisions. The Plan's investment policy is that assets will be managed in a reasonable and prudent manner with a primary objective to avoid insolvency, and a secondary objective to grow the Solvency Ratio (the ratio of market value of assets to the liability for accrued benefits) towards 100% over the next 30 years. SFA Assets will be managed in accordance with the ARPA, and the regulations promulgated by the PBGC in 29 C.F.R. Part 4262 (SFA Final Rule). A majority of the SFA Assets will generally be invested in investment grade fixed income assets and to the extent there are return-seeking assets as defined by the SFA Final Rule, their levels will be monitored by the Named Fiduciary. SFA Assets will be at all times kept separate from Assets in the Fund prior to the infusion of SFA Assets (such preexisting Assets defined as “Legacy Assets”) through such activities as the maintenance of separate custody accounts for each appointed investment manager and no rebalancing between Legacy and SFA Assets. Legacy Assets will generally be invested in a diversified range of Assets designed to help the Fund achieve its objectives.

As of the end of the Plan Year, the Plan’s assets were allocated among the following investment categories as percentages of total assets. The allocations are percentages of the Plan’s total assets, which include SFA paid to the Plan and earnings thereon. Additionally, disclosed are the average return on the Plan’s assets for the Plan Year.

Asset Allocations	Percentage	Average Return on Assets
Investment grade debt instruments	100%	7.1%

Right to Request a Copy of the Annual Report

Pension plans must file an annual report, called the Form 5500, with the U.S. Department of Labor. The Form 5500 includes financial and other information about these pension plans.

You can get a copy of your Plan’s Form 5500:

- **Online:** Visit www.efast.dol.gov to search for your Plan’s Form 5500.
- **By Mail:** Submit a written request to your plan administrator.
- **By Phone:** Call 202-693-8673 to speak with a representative of the U.S. Department of Labor, Employee Benefits Security Administration’s Public Disclosure Room.

The Form 5500 does not include personal information, such as your accrued benefits. For details about your accrued benefits, contact your plan administrator.

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 PBGC, below), the plan must apply to PBGC for financial assistance. 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

Only vested benefits—those that you've earned and cannot forfeit—are guaranteed.

What PBGC Guarantees

PBGC guarantees "basic benefits" including:

- Pension benefits at normal retirement age.
- Most early retirement benefits.
- Annuity benefits for survivors of plan participants.
- Disability benefits for disabilities that occurred before the earlier of the date the plan terminated or the sponsor's bankruptcy date.

What PBGC Does Not Guarantee

PBGC does not guarantee certain types of benefits, including:

- A participant's pension benefit or benefit increase until it has been part of the plan for 60 full months. Any month in which the multiemployer plan was insolvent or terminated due to mass withdrawal does not count toward this 60-month requirement.
- Any benefits above the normal retirement benefit.
- Disability benefits in non-pay status.
- Non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

Determining Guarantee Amounts

The maximum benefit PBGC guarantees is set by law. Your plan is covered by PBGC's multiemployer program. The maximum PBGC guarantee is $35.75 per month, multiplied by a participant's years of credited service.

PBGC guarantees a monthly benefit based on the plan's monthly benefit accrual rate and your years of credited service. The guarantee is calculated as follows:

1. Take 100 percent of the first $11 of the Plan's monthly benefit accrual rate.
2. Take 75 percent of the next $33 of the accrual rate.
3. Add both amounts together.
4. Multiply the total by your years of credited service to determine your guaranteed monthly benefit.

Example 1: Participant with a $600 Monthly Benefit and 10 Years of Service.

1. Find the accrual rate: $600/10 = $60 accrual rate.

2. Apply PBGC formula:
   Take 100 percent of the first $11= $11
   Take 75 percent of the next $33 = $24.75
3. Add the two amounts together: $11 + $24.75 = $35.75
4. Multiply by years of credited service: $35.75 x 10 years = $357.50

In this example, the participant's guaranteed monthly benefit is $357.50.

Example 2: Participant with a $200 Monthly Benefit and 10 Years of Service.

1. Find the accrual rate: $200/10 = $20 accrual rate.
2. Apply PBGC formula:
   Take 100 percent of the first $11= $11
   Take 75 percent of the next $9 = $6.75
3. Add the two amounts together: $11 + $6.75 = $17.75
4. Multiply by years of credited service: $17.75 x 10 years = $177.50

In this example, the participant's guaranteed monthly benefit is $177.50.

Notice of Critical Status
Central States, Southeast and Southwest Areas Pension Plan

This is to inform you that on March 31, 2026, the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical status for the plan year beginning January 1, 2026. Federal law requires that you receive this notice.

Critical Status

The plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the plan's actuary determined that the plan has an accumulated funding deficiency for the current plan year, and pursuant to section 4262(m) of the Employee Retirement Income Security Act of 1974 (ERISA), as amended by the American Rescue Plan Act of 2021 (ARPA) and the regulations thereunder, the plan is deemed to be in critical status through 2051 due to its receipt of Special Financial Assistance (SFA).

The plan's application for SFA under the ARPA was approved by the Pension Benefit Guaranty Corporation (PBGC), and on January 12, 2023, the plan received $35,764,910,109.99 in SFA. Due to the receipt of the SFA, the plan projects that it will no longer become insolvent, but instead will be funded well into the future.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the fourth year the plan has been in critical status after the prior eight years of being in critical and declining status (such status was added by the Multiemployer Pension Reform Act of 2014 (MPRA)). The seven years before that the plan was in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If your adjustable benefits were reduced or eliminated, you would have received a separate notice. On April 8, 2008, the plan sent notification that, as of April 8, 2008, the plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status. If the trustees of the plan determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits (other than a repeal of a recent benefit increase, as described below) will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after April 8, 2008.

Adjustable Benefits

The plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt:

☒ Post-retirement death benefits;
☒ Sixty-month payment guarantees;
☒ Disability benefits (if not yet in pay status);
☒ Early retirement benefit or retirement-type subsidy;
☒ Benefit payment options other than a qualified joint-and survivor annuity (QJSA);
☐ Recent benefit increases (i.e., occurring in past 5 years);
☐ Other similar benefits, rights, or features under the plan.

Employer Surcharge

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 under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the plan is in critical status.

Where to Get More Information

For more information about this Notice, you may contact Thomas C. Nyhan, Executive Director, Central States, Southeast and Southwest Areas Pension Plan, 8647 West Higgins Road, Chicago, IL 60631, phone number 1-800-323-5000. You have a right to receive a copy of the rehabilitation plan from the plan.