

**ANNUAL FUNDING NOTICE
FOR
PENSION PLAN FOR EMPLOYEES OF ALBION COLLEGE**

Introduction

This notice includes important information about the funding status of your single-employer 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 07/01/2020 and ending 06/30/2021 (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 "funding target attainment percentage." The Plan divides its Net Plan Assets by Plan Liabilities to get this percentage. In general, the higher the percentage, the better funded the plan. The Plan's Funding Target Attainment Percentage for the Plan Year and each of the two preceding plan years is shown in the chart below. The chart also shows you how the percentage was calculated.

Funding Target Attainment Percentage

	2020 Plan Year	2019 Plan Year	2018 Plan Year
1. Valuation Date	07/01/2020	07/01/2019	07/01/2018
2. Plan Assets			
a. Total Plan Assets	\$4,635,521	\$4,944,152	\$4,792,913
b. Funding Standard Carryover Balance	\$0	\$0	\$0
c. Prefunding Balance	\$0	\$0	\$0
d. Net Plan Assets (a) – (b) – (c) = (d)	\$4,635,521	\$4,944,152	\$4,792,913
3. Plan Liabilities	\$2,709,379	\$2,843,200	\$2,828,949
4. Funding Target Attainment Percentage (2d)/(3)	171.09%	173.89%	169.42%

Plan Liabilities

Plan Liabilities in line 3 of the chart above are an estimate of the amount of assets the Plan needs on the Valuation Date to pay for promised benefits under the plan.

Year-End Assets and Liabilities

The asset values in the chart above are measured as of the first day of the Plan Year. They are also "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 as of a given point in time. As of 06/30/2021, the fair market value of the Plan's assets was \$5,613,945. On this same date, the Plan's liabilities, determined using market rates, were \$3,598,412.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the Valuation Date was 92. Of this number, 14 were current employees, 44 were retired and receiving benefits, and 34 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 for establishing a funding policy for plan objectives. A funding policy relates to how much money is needed to pay for promised benefits. The funding policy of the Plan is the Employer shall contribute annually to the fund maintained under the Trust such amount as determined by the Plan actuary on the basis of such actuarial assumptions as are determined to be reasonable by the actuary within the requirements of the Code, as legally required to fund the benefits hereunder. The Employer may, but shall not be required to, contribute such additional amounts as legally permitted. All contributions shall be forwarded to the financial institute to be invested in the Trust. Pension plans also have investment policies. These generally are guidelines or general instructions for making investment management decisions.

Pension plans also have investment policies. These generally are guidelines or general instructions for making investment management decisions. The investment policy of the Plan is to deem advisable, including, but not limited to stocks, common or preferred, open-end or closed-end mutual funds, bonds and other evidences of indebtedness or ownership, and real estate or any interest therein. The trust shall at all times in making investments of the Trust Fund consider, among other factors, the short and long-term financial needs of the Plan on the basis of information furnished by securities or other property of the character

expressly authorized by the applicable law for trust investments; however, the Trustee shall give due regard to any limitations imposed by the Code or the Act so that all times the Plan may qualify as a qualified Pension Plan and Trust.

Under the 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
1. Cash (Interest-bearing and non-interest bearing)	0%
2. U.S. Government securities	0%
3. Corporate debt instruments (other than employer securities):	
Preferred	0%
All other	38%
4. Corporate stocks (other than employer securities):	
Preferred	0%
Common	61%
5. Partnership/joint venture interests	0%
6. Real estate (other than employer real property)	0%
7. Loans (other than to participants)	0%
8. Participant loans	0%
9. Value of interest in common/collective trusts	0%
10. Value of interest in pooled separate accounts	0%
11. Value of interest in master trust investment accounts	0%
12. Value of interest in 103-12 investment entities	0%
13. Value of interest in registered investment companies (e.g., mutual funds)	0%
14. Value of funds held in insurance co. general account (unallocated contracts)	1%
15. Employer-related investments:	
Employer Securities	0%
Employer real property	0%
16. Buildings and other property used in plan operation	0%
17. Other	0%

Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the U.S. Department of Labor. The report is called the "Form 5500". These reports contain financial and other information. You may obtain an electronic copy of the plan's annual report by going to www.efast.dol.gov and using the Form 5500 search tool. Annual reports also are available from the U.S. 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 benefits. 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 Termination of Single-Employer Plans

If a plan terminates, there are specific termination rules that must be followed under federal law. A summary of these rules follows.

There are two ways an employer can terminate its pension plan. First, the employer can end the plan in a "standard termination" but only after showing the PBGC that the plan has enough money to pay all benefits owed to participants. Under a standard termination, the plan must either purchase an annuity from an insurance company (which will provide you with periodic retirement benefits, such as monthly, for life or for a set period of time when you retire) or, if your plan allows, issue one lump-sum payment that covers your entire benefit. Your plan administrator must give you advance notice that identifies the insurance company (or companies) selected to provide the annuity. The PBGC's guarantee ends upon the purchase of an annuity or payment of the lump-sum. If the plan purchases an annuity for you from an insurance company and that company becomes unable to pay, the applicable state guaranty association guarantees the annuity to the extent authorized by that state's law.

Second, if the plan is not fully-funded, the employer may apply for a distress termination. To do so, however, the employer must be in financial distress and prove to a bankruptcy court or to the PBGC that the employer cannot remain in business unless the plan is terminated. If the application is granted, the PBGC will take over the plan as trustee and pay plan benefits, up to the legal limits, using plan assets and PBGC guarantee funds.

Under certain circumstances, the PBGC may take action on its own to end a pension plan. Most terminations initiated by the PBGC occur when the PBGC determines that plan termination is needed to protect the interests of plan participants or of the PBGC insurance program. The PBGC can do so if, for example, a plan does not have enough money to pay benefits currently due.

Benefit Payments Guaranteed by the PBGC

When the PBGC takes over a plan, it pays pension benefits through its insurance program. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. Most participants and beneficiaries receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits that are not guaranteed.

The amount of benefits that PBGC guarantees is determined as of the plan termination date. However, if a plan terminates during a plan sponsor's bankruptcy, then the amount guaranteed is determined as of the date the sponsor entered bankruptcy.

The PBGC maximum benefit guarantee is set by law and is updated each calendar year. For a plan with a termination date or sponsor bankruptcy date, as applicable in 2022 the maximum guaranteed benefit is \$6,204.55 per month, or \$74,454.60 per year, payable in the form of a straight life annuity, for a benefit paid to a 65-year-old retiree with no survivor benefit. If a plan terminates during a plan sponsor's bankruptcy, the maximum guarantee is fixed as of the calendar year in which the sponsor entered bankruptcy. The maximum guarantee is lower for an individual who begins receiving benefits from PBGC before age 65 reflecting the fact that younger retirees are expected to receive more monthly pension checks over their lifetime. Similarly, the maximum guarantee is higher for an individual who starts receiving benefits from PBGC after age 65. The maximum guarantee by age can be found on PBGC's website, www.pbgc.gov. The guaranteed amount is also reduced if a benefit will be provided to a survivor of the plan participant.

The PBGC guarantees "basic benefits" earned before a plan is terminated, which include:

- pension benefits at normal retirement age;
- most early retirement benefits;
- annuity benefits for survivors of plan participants; and
- disability benefits for a disability that occurred before the date the plan terminated or the date the sponsor entered bankruptcy, as applicable.

The PBGC does not guarantee certain types of benefits:

- The PBGC does not guarantee benefits for which you do not have a vested right, usually because you have not worked enough years for the company.
- The PBGC does not guarantee benefits for which you have not met all age, service, or other requirements.
- Early retirement payments that are greater than payments at normal retirement age may not be guaranteed. For example, a supplemental benefit that stops when you become eligible for Social Security may not be guaranteed.
- Benefits other than pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay, are not guaranteed.
- The PBGC generally does not pay lump sums exceeding \$5,000.

In some circumstances, participants and beneficiaries still may receive some benefits that are not guaranteed. This depends on how much money the terminated plan has and how much the PBGC recovers from employers for plan underfunding.

For additional information about the PBGC and pension insurance program guarantees, go to the "General FAQs about PBGC" on PBGC's website at www.pbgc.gov/generalfaqs. Please contact your employer or plan administrator for specific information about your pension plan or pension benefits. 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, you may contact ALBION COLLEGE, the plan administrator at 611 E PORTER ST, ALBION, MI 49224 and phone number, 517-629-0205. For identification purposes, the official plan number is 002 and the plan sponsor's employer name and identification number or "EIN" are ALBION COLLEGE and 38-1359081.

Information Regarding Plan Assets

The U.S. Department of Labor's regulations require that an independent qualified public accountant audit the plan's financial statements unless certain conditions are met for the audit requirement to be waived. This plan met the audit waiver conditions for the plan year beginning 07/01/2020 and therefore has not had an audit performed.

General information regarding the audit waiver conditions applicable to the plan can be found on the U.S. Department of Labor Web site at <http://www.dol.gov/ebsa> under the heading "Frequently Asked Questions."