



INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS
LOCAL 380



ADMINISTRATIVE FUNDS
HEALTH AND WELFARE FUND
PENSION FUND
ANNUITY FUND

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**Notice of Critical Status
For
IBEW Local Union 380 Pension Plan**

This is to inform you that on March 31, 2011 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan will be in critical status for the plan year beginning January 1, 2011. 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 funded percentage of the plan is 65% or less and the plan is projected to have an accumulated funding deficiency for the 2011 plan year.

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. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On April 25, 2008, you were notified that the plan could reduce or eliminate adjustable benefits. On April 25, 2008, you were notified that as of that date 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. On April 25, 2008, you were notified that the disability retirement benefit and pre-retirement death benefits changed. On May 27, 2009, you were notified that the plan reduced or eliminated adjustable or ancillary benefits. 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 will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions of adjustable benefits may only apply to participants and beneficiaries whose benefit commencement date is on or after April 25, 2008.

Adjustable Benefits

The plan offered the following adjustable benefits before it entered critical status, which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt:

If the Trustees of the Plan determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. However, the level of benefits already earned that are payable at Normal Retirement Age as a single life or qualified joint and survivor annuity cannot and will not be reduced under the new rules provided in the Act. In addition, reductions, if any, may only apply to participants and beneficiaries whose benefit commencement date is on or after April 30, 2010.

But you should know that whether or not the Plan reduces adjustable benefits in the future, the Plan is not permitted to pay a participant's accrued benefit in the form of a lump sum or any other benefit form in excess of the monthly amount paid under a single life annuity (except for the involuntary payout of benefits worth less than \$5,000) while it is in critical status. Therefore, those forms of benefit will not be available for pensions that begin on or after April 30, 2010.

Employer Surcharge

The Act requires all contributing employers to pay a surcharge to the Fund (5% of the contribution amount in the first year of critical status and 10% each year thereafter) unless a Rehabilitation Plan is in effect by May 30, 2010. Since the Board of Trustees adopted a Rehabilitation Plan and the Union implemented the Rehabilitation Plan on May 28, 2010, there are no employer surcharges applicable.

What's Next

We understand that legally required notices like this one can create concern about the Fund's future. Be assured that the Board of Trustees takes very seriously its obligation to preserve the financial viability of the Fund.

As a final note, since the Pension Fund is influenced by economic and financial variables beyond our control (such as market volatility and changes in employment and/or the number of contributing employers), unexpected developments can affect the Fund's status and any future corrective actions needed. Each year the Trustees will be reviewing the Fund's progress with its professional advisors, which may lead to future changes in the recommended contribution and benefit schedules.

For more information about this notice or the Fund, contact the Fund Office at:

NJBLS Pension Fund, 3218 Kennedy Blvd., Jersey City, NJ 07306, (201) 963-0633

Sincerely,

The Board of Trustees

As required by law, this notice is being provided to the Pension Benefit Guaranty Corporation (PBGC) and the Department of Labor.