

## **2010 Notice of Critical Status**

### **International Brotherhood of Electrical Workers Local #861 Pension Trust Fund**

**To: Members, beneficiaries, bargaining parties, Pension Benefit Guaranty Corp, and the Secretary of Labor**

This is to inform you that on March 31, 2010 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, 2010. Federal law requires that you receive this notice.

#### **Critical Status**

The plan is considered to be in critical status because it has funding problems. More specifically, the plan's actuary determined that the plan is projected to have an accumulated funding deficiency for the plan year ending December 31, 2012 and beyond.

#### **Rehabilitation Plan and Possibility of Reduction in Benefits**

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. 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. Any reduction of adjustable benefits 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 March 31, 2010.

#### **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:

- 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);

#### **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**

You have a right to receive a copy of the rehabilitation plan from the plan. For more information about this notice or the rehabilitation plan, you may contact Mark Crandell at Benefit Resources, Inc., 8441 Gulf Freeway, Suite 304, Houston, TX 77017, (713) 643-9300. For more information about the PBGC and multiemployer benefit guarantees, go to PBGC's Web site, <http://www.pbgc.gov>, or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).