INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS 
LOCAL UNION 648 PENSION PLAN 
NOTICE OF CRITICAL STATUS 

June 2010

This Notice is to inform you that on May 28, 2010 the Plan’s actuary certified to the U.S. Department of the Treasury, and also to the Plan Sponsor, that the International Brotherhood of Electrical Workers Local Union 648 Pension Plan ("Plan") is in critical status for the Plan Year beginning March 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 or liquidity problems, or both. More specifically, the Plan’s actuary determined that the funded percentage of the Plan is 65% or less, and over the next four Plan Years, the Plan is projected to have an accumulated funding deficiency for the 2014 Plan Year. A funding deficiency means that expected contributions to the Plan will not be sufficient to meet the government’s minimum contribution requirements for funding purposes. It does not mean that the Plan is insolvent.

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 Board of Trustees of the Plan determines 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 his or her Normal Retirement Age. In addition, any reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after May 28, 2009.

However, whether or not the Plan reduces adjustable benefits in the future, because the Plan was certified to be in critical status for the 2009 Plan Year, 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. Effective June 1, 2009, the lump sum return of contributions death benefit, the lump sum return of contributions disability benefit, and the Retirement Incentive Benefit ("the RIB") are no longer available. Participants who are already in pay status and who have elected to receive increased benefits under the RIB will continue to receive the RIB until they reach age 62. Participants who were not in pay status as of June 1, 2009 are not eligible to elect the RIB.
**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:

- Rule of 85 Early Retirement benefit;
- Subsidized Early Retirement benefit;
- Subsidized Qualified Joint & Survivor Annuity (QJSA);
- Subsidized Qualified Pre-Retirement Survivor Annuity (QPSA); or
- Disability Benefits (if not yet in pay status).

If the Board of Trustees of the Plan determines that benefit reductions are necessary, you will receive a separate notice identifying the type of the reduction adopted and the effect of those reductions. Any reduction in adjustable benefits will not reduce the level of your basic benefit payable at your Normal Retirement Age, which is generally age 62.

**Rehabilitation Plan**
On July 31, 2009, the Board of Trustees has adopted a rehabilitation plan which was ratified by the Bargaining Parties. This plan is expected to improve the funded position of the Plan and calls for increases in the hourly contribution rate over the next six years. These increases are detailed below:

1. The Plan’s hourly contribution rate was increased by $1.00 effective June 1, 2009 and by an additional $0.50 effective September 1, 2009.
2. Additional increases of at least $0.50 per hour for each Plan Year beginning in 2010 and continuing through 2015 will be paid into the Plan.
3. The parties involved understand that the commitment to contribute additional monies to the Plan may or may not result from increases in the contractual obligations by the Employers. The additional contributions required for each Plan Year beginning in 2010 and continuing through 2015 will come from any of the following:
   a. Increased Employer Contributions;
   b. Diversion from other Fringe Benefit Contributions; or
   c. Participants’ Wages. The parties have agreed that, in the event that the additional contributions required by the rehabilitation plan do not come from a or b above, by default, they will come from the participants’ wages.

The Plan’s actuary will annually certify both the funded position of the Plan and if the Plan is making the scheduled progress required under its rehabilitation plan in accordance with the Rules and Regulations of the Pension Protection Act of 2006. Effective May 28, 2010, the Plan’s actuary has certified that the Plan is making progress in accordance with its rehabilitation 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.

Because the Plan has adopted a rehabilitation plan, the employer surcharge is not applicable.

Where to Get More Information

For more information about this Notice, you may contact Linda Bryant at the IBEW Local Union 648 Benefit Office at 4300 Millikin Road, Hamilton, Ohio 45011 or by telephone at 513-863-7964. Also, you have the right to receive a written copy of the Plan's rehabilitation plan.