

IBEW LOCAL UNION NO. 952 PENSION PLAN TRUST
ADMINISTRATION OFFICE
Benefit Administration Corporation

955 N Street, Fresno, CA 93721-2216
(559) 225-3030 ♦ (800) 282-5246 ♦ FAX (559) 225-6837

MEMORANDUM

TO: All Plan Participants, Beneficiaries Receiving Benefit Payments, QDRO Alternate Payees, Employers Obligated to Contribute, IBEW Local 952, Ventura Division of Los Angeles County Chapter NECA, Secretary of Labor, Pension Benefit Guaranty Corporation

FROM: Board of Trustees

DATE: October 21, 2011

RE: **Notice of the Actuary's Certification of Critical Status of the Plan under the Pension Protection Act of 2006 for the IBEW Local 952 – Ventura Division of Los Angeles County Chapter NECA Pension Trust Fund**

This is to inform you that on September 28, 2011, 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 July 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 problems. More specifically, the plan's actuary determined that as of July 1, 2011, the plan is projected to have an accumulated funding deficiency in the next following three plan years.

Rehabilitation Plan

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. In an effort to improve the Plan's funding situation, the Trustees adopted a rehabilitation plan on September 30, 2010. The rehabilitation plan requires that the annual contribution rate will increase by 55 cents per hour each year for the 13-year period from January 31, 2011 through January 31, 2023. These increases are in addition to the contribution rate of \$8.60 per hour effective August 1, 2011 and the 25 cent increases on January 30, 2012 and July 30, 2012, resulting in an ultimate contribution rate of \$15.70. In addition the rehabilitation plan increased the age requirement to qualify for unreduced early retirement for all service, effective January 1, 2011, from age 62 to age 65 for all of the plan's early retirement options except age 55 and 30 years of pension credits.

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Because the Pension Plan was certified to have remained in Critical status as of July 1, 2011, the Trustees are required to update the Rehabilitation Plan originally adopted on September 30, 2010. In general, a Rehabilitation Plan must be projected to achieve certain funding improvement benchmarks within a specified time frame. The update indicates that no additional benefit reductions or contribution increases are currently required in order to achieve the goals. It is still possible that future annual updates will require that the Rehabilitation Plan be modified to require either additional benefit reductions or contribution rate increases (or both) in response to future developments in the funding position of the Pension Plan.

Adjustable Benefits

The plan offered early retirement subsidy adjustable benefits which were reduced as described above as part of the rehabilitation plan adopted by the Trustees. The reduction of those adjustable benefits does not reduce the level of a participant's basic benefit payable at normal retirement. The plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan update the pension plan may adopt: (i) early retirement benefit or retirement-type subsidy; (ii) Thirty-six month payment guarantees; (iii) Disability benefits (if not yet in pay status), (iv) Pre-Retirement death benefits and (v) 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 until a contribution schedule with terms consistent with the Rehabilitation Plan and a schedule from the Board of Trustees of the plan is adopted by the bargaining parties 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. The bargaining parties for all agreements adopted a schedule under the Rehabilitation Plan before any surcharges went into effect.

Where to Get More Information

For more information about this Notice, you may contact the Trust Fund's Administrative Office at:

IBEW Local Union No. 952 Pension Plan Trust
955 N Street, Fresno, CA 93721-2216
(559) 225-3030, ext. 140

You have a right to receive a copy of the rehabilitation plan from the plan.

Board of Trustees