

**I.B.E.W. LOCAL NO. 82 JOINT PENSION FUND**  
**2012 NOTICE OF CRITICAL STATUS**  
*October 2012*

On September 27, 2012, the actuary for the I.B.E.W. Local No. 82 Joint Pension Fund ("Plan") certified to the United States Department of the Treasury, and also to the Plan Sponsor ("Board of Trustees"), that the Plan is in critical status for the 2012 Plan Year, which began on July 1, 2012 and ends June 30, 2013. Federal law requires that you receive this Notice.

**Critical Status**

The Plan is considered to be in critical status because the Plan has funding or liquidity problems, or both. The 2009 Plan Year was the first year that the Plan was certified to be in critical status. This was because as of the Plan's 2009 PPA certification date, the Plan was projected to have an accumulated funding deficiency during the 2012 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. The Plan continues to be in critical status for the 2012 Plan Year because the Plan's actuary has determined that the Plan has not passed the "Emergence Test" that would enable it to come out of critical status.

On April 23, 2010, the Board of Trustees adopted a rehabilitation plan that has been ratified by the bargaining parties as required by the *Pension Protection Act of 2006* (PPA). The Plan is continuing to operate in accordance with this rehabilitation plan. For the 2012 Plan Year, the Plan's actuary has certified that the Plan is making scheduled progress as required under its rehabilitation plan.

**Rehabilitation Plan**

Federal law requires plans in critical status to adopt a rehabilitation plan aimed at improving the plan's funding situation. A rehabilitation plan may include: (1) the reduction or even the elimination of future benefit accruals; (2) the reduction or elimination of "adjustable benefits"; (3) the reduction or elimination of ancillary benefits; and (4) increases in the hourly contribution rate. Federal law also stipulates that plans in critical status are not allowed to pay "restricted benefits", such as lump sum death benefits or any other payment in excess of the monthly amount paid under a Single Life Annuity.

The rehabilitation plan adopted by the Board of Trustees includes the reduction of both adjustable and ancillary benefits along with increases in the Plan's hourly contribution rate and can be summarized as follows.

**Benefit Changes**

- Effective for Annuity Starting Dates on or after October 1, 2010, a participant with at least 5 Years of Service will not be able to commence receipt of an Early Retirement Benefit prior to the attainment of age 58. The amount of the participant's Early Retirement Benefit will be equal to his Normal Retirement Benefit reduced by  $\frac{1}{4}$  of 1% for each of the first 36 months and  $\frac{1}{2}$  of 1% for each of the next 12 months that his Annuity Starting Date precedes the attainment of age 62.
- Effective for Annuity Starting Dates on or after October 1, 2010, a participant with at least 30 Years of Service will not be able to commence receipt of a 30 Years and Out Benefit prior to the attainment of age 58. However, a participant who had at least 25 Years of Service and who was age 48 or older as of July 1, 2009 will remain eligible for a 30 Years and Out Benefit at age 53.

- Beginning with contributions for work performed on or after June 1, 2010, participants will receive benefit accruals for the \$0.25 that was allocated to the Plan to help pay for the 30 Years and Out Benefit. This \$0.25 was originally excluded from benefit accruals.
- Effective for Total & Permanent Disability Benefits that become payable on or after October 1, 2010, the amount of the Disability Benefit will be equal to the participant's Normal Retirement Benefit reduced by 50%. However, this amount will then be increased by 2% for each Year of Service in excess of 5 Years of Service that the Participant earned under the Plan prior to his disability. The maximum benefit that will be paid will be equal to 100% of the participant's Normal Retirement Benefit.
- Effective May 1, 2010, the Pre-Retirement Return of Contributions Death Benefit was eliminated for non-vested participants and vested participants who are not married.
- Effective October 1, 2010, the spouse of a vested, married participant will not be permitted to elect to receive an annuity equal to the participant's accrued benefit at the time of his death, payable for 60 months. Any pre-retirement death benefit payable to the spouse of a vested, married participant will be determined in accordance with the Pre-Retirement Surviving Spouse Pension provisions of the Plan. Effective March 1, 2012, the surviving spouse of a deceased participant can elect to commence receipt of a benefit as early as the date the participant would have reached age 53. If benefits to the surviving spouse are paid prior to the participant's earliest retirement age, the monthly pension payable to the surviving spouse will be paid on an actuarially reduced basis.
- Effective October 1, 2010, the designated beneficiary of a vested participant who is not married will not be permitted to elect to receive an annuity equal to the participant's accrued benefit at the time of his death, payable for 60 months
- Effective for Annuity Starting Dates on or after October 1, 2010, the "60 payment guarantee" was eliminated for participants who elect to receive their benefit as a Single Life Annuity or a Qualified Joint & 75% Survivor Annuity. The "60 payment guarantee" will remain in place for any married participants who have an Annuity Starting Date on or after October 1, 2010 and who elect to receive their benefit as a Qualified Joint & 50% Annuity. Any participants who were receiving a Single Life Annuity or a Qualified Joint & 75% Survivor Annuity before October 1, 2010 will continue to be eligible for the "60 payment guarantee", but the Plan will not offer this guarantee to any participants with an Annuity Starting Date on or after October 1, 2010.
- The "pop-up" feature was eliminated for all participants with an Annuity Starting Date on or after October 1, 2010. The "pop-up" feature increased a Retiree's monthly benefit payment upon the death of an Eligible Spouse if the Retiree was receiving his benefit as a Qualified Joint & Survivor Annuity. Any participants who were receiving a Qualified Joint & Survivor Annuity before October 1, 2010 will continue to be eligible for the "pop-up" feature, but the Plan will not offer this option to any participants with an Annuity Starting Date on or after October 1, 2010.
- The Qualified Joint & 100% Survivor Annuity was eliminated for all participants with an Annuity Starting Date on or after October 1, 2010. Any participants who were receiving a Qualified Joint & 100% Survivor Annuity before October 1, 2010 will continue to receive such payments, but the Plan will not offer this option to any participants with an Annuity Starting Date on or after October 1, 2010.

- The Social Security Level Income Option was eliminated for all participants with an Annuity Starting Date on or after May 1, 2010. Any participants who were receiving the Social Security Level Income Option before May 1, 2010 will continue to receive such payments, but the Plan will not offer this option to any participants with an Annuity Starting Date on or after May 1, 2010.

### **Contribution Rate Increases**

The rehabilitation plan calls for five \$1.15 increases in the hourly contribution during the 2010 through 2014 Plan Years. This would increase the hourly contribution rate from \$3.50 to \$9.25 per hour. The hourly contribution rate was increased by \$2.00 per hour during the 2010 Plan Year and by \$0.85 during the 2011 Plan Year. The hourly contribution rate for a journeyman was \$6.35 per hour effective December 5, 2011. Additional rehabilitation plan contribution rate increases for the 2012 through 2014 Plan Years will be determined by the Trustees subsequent to each Plan Year's annual PPA evaluation.

The rehabilitation plan will also be reviewed annually with the Plan's Actuary and other professionals. Based upon such review, the rehabilitation plan may be amended to include additional benefit reductions and/or contribution increases.

### **Adjustable Benefits**

If it is ever determined that the rehabilitation plan needs to be amended, the Plan offers the following "adjustable benefits" which could be reduced or eliminated as an amendment to the rehabilitation plan adopted by the Plan:

- Partially subsidized Early Retirement Benefits;
- Fully subsidized Early Retirement Benefits, including "Golden 90" Retirement Benefits and "30 Years and Out" Retirement Benefits;
- Total and Permanent Disability Benefits (if not yet in pay status);
- Sixty-Month guarantee of payments offered under the Qualified Joint & 50% Survivor Annuity; and
- Qualified Joint & 100% Survivor Annuity provided under the Pre-Retirement Death Benefit.

If the Board of Trustees of the Plan ever determines 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 your 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 May 1, 2010.

### **Where to Get More Information**

For more information about this Notice, you can contact the Plan at 6550 Poe Avenue, Dayton, Ohio 45414-2527 or call (937) 264-2058. For identification purposes, the official Plan number is 001 and the Plan sponsor's Employer Identification Number, or "EIN", is 31-6127268. You can also request a copy of the Plan's rehabilitation plan and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement by contacting the plan administrator.