

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
LOCAL UNION 648 PENSION PLAN
2016 NOTICE OF CRITICAL STATUS
June 2016

This Notice is to inform you that on May 27, 2016 the Plan's actuary certified to the U.S. Department of the Treasury and to the Plan Sponsor that the International Brotherhood of Electrical Workers Local Union 648 Pension Plan ("Plan") is in critical status for the 2016 Plan Year. The 2016 Plan Year began on March 1, 2016 and ends on February 28, 2017. Federal law requires that you receive this Notice.

Critical Status

The 2009 Plan Year was the first year that the International Brotherhood of Electrical Workers Local Union 648 Pension Plan was certified to be in critical status. This was because as of the Plan's 2009 PPA certification date the Plan's actuary determined that the Plan's funded percentage was less than 65% and the Plan was projected to have an accumulated funding deficiency for the 2011 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 2016 Plan Year because the Plan's actuary has determined that the Plan has not passed the "Emergence Test" which would allow the Plan to come out of critical status. In order to pass the Emergence Test, the Plan's actuary must certify that the Plan is not projected to have an accumulated funding deficiency for the current Plan Year or any of the nine succeeding Plan Years.

The Plan's actuary has certified that the Plan is making progress in accordance with its updated rehabilitation plan.

Rehabilitation Plan

Federal law requires that pension plans in critical status adopt a rehabilitation plan aimed at restoring the financial health of the plan. A rehabilitation plan may include: (1) the reduction or even the elimination of future benefit accruals, (2) the reduction or elimination of "adjustable benefits", and/or (3) increases in the hourly contribution rate. Federal law also stipulates that plans in critical status are not allowed to pay "restricted benefits", including lump sum benefits or any other payment in excess of the monthly amount paid under a Single Life Annuity.

The Board of Trustees of the International Brotherhood of Electrical Workers Local Union 648 Pension Plan adopted a rehabilitation plan on July 31, 2009, which was ratified by the Bargaining Parties. This rehabilitation plan was later updated to include increases in the hourly contribution rate and changes in the Plan's Early Retirement, Disability Retirement, and Death Benefits. The 13th check for benefits accrued on or after March 1, 2013, the fully subsidized Joint & Two-Thirds Survivor Annuity, and the Retirement Incentive Benefit ("RIB") were also eliminated. In addition, 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).

The rehabilitation plan will continue to be reviewed 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 Plan's rehabilitation plan needs to be amended, federal law permits pension plans in critical status to reduce or eliminate "adjustable benefits". The Plan offers the following "adjustable benefits" which could be reduced or eliminated as an amendment to the rehabilitation plan:

- Rule of 85 Early Retirement benefit;
- Subsidized Early Retirement benefit;
- Subsidized Qualified Pre-Retirement Survivor Annuity (QPSA);
- Disability Benefits (if not yet in pay status);
- Benefit payment options other than a Qualified Joint & Survivor Annuity (QJSA);
- Recent benefit increases (i.e., occurring in past 5 years); or
- Other similar benefits, rights, or features under the Plan.

If the Board of Trustees of the Plan determines that any benefit reductions are necessary, you will receive a separate Notice in the future identifying the reductions and explaining their effect. Any reduction of "adjustable benefits" will not reduce the level of the basic benefit payable at your normal retirement age, which generally is age 62. Reductions will only apply to participants and beneficiaries whose benefit commencement date is on or after June 5, 2009.

Where to Get More Information

For more information about this Notice, you can contact the Plan Administrator at 205 West Fourth Street, Suite 225, Cincinnati, OH 45202, or by calling 513-381-6886. For identification purposes, the official Plan Number is 001 and the Plan Sponsor's Employer Identification Number, or "EIN", is 31-6134845. You can 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.