



SOUTHERN CALIFORNIA IBEW - NECA TRUST FUNDS

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MEMORANDUM

TO: All Plan Participants
Beneficiaries Receiving Benefit Payments
QDRO Alternate Payees
Employers Obligated to Contribute
Local Unions Representing Plan Participants

FROM: Board of Trustees
Southern California IBEW-NECA Pension Trust Fund

DATE: October 19, 2017

RE: Information About Your Pension Plan (with regards to enclosed notices)

EBSA/PUBLIC DISCLOSURE

2017 NOV - 6 PM 1:28

IMPORTANT: Federal law requires you be sent the enclosed Annual Funding Notice and the enclosed Notice of Actuarial Certification of ongoing Critical Status. If you are a retired Participant (Pensioner), beneficiary or QDRO Alternate Payee receiving monthly pension payments, the Fund is required to send you these Notices but they in no fashion change the amounts of monthly benefits to be paid to you. As more fully described below, the Trustees previously adopted a Rehabilitation Plan. Nothing in the enclosed Notices changes any of the benefit accrual provisions of the Rehabilitation Plan or the contribution requirements under the Rehabilitation Plan. The balance of this memorandum describes the various documents you have received previously and how you can obtain additional copies of these documents should you so desire.

Under date of October 26, 2012, you received notice of the Plan's endangered status and a detailed description of those consequences. Under date of May 21, 2013, you received a detailed memorandum describing the Funding Improvement Plan adopted by the Board of Trustees. Under date of July 17, 2013, you received a memorandum describing an amendment to the Funding Improvement Plan. That amendment added an additional Alternative Schedule. Under date of December 2013, you received a memorandum describing an amendment to the Funding Improvement Plan. That amendment added an additional Alternative Schedule. Under date of September 28, 2016, you received notice of the Board of Trustees' election for the Plan to be in critical status and a memorandum with a detailed description of those consequences. Under date of October 27, 2016 you received a memorandum describing an amendment to the Rehabilitation Plan.

If you would like additional copies of any of these prior notices, please contact the Administrative Trust Funds Office. The documents are also available on the Trust Funds' website at www.scibew-neca.org.

NOTIFICATION OF CRITICAL STATUS

TO: All Plan Participants, Beneficiaries Receiving Benefit Payments, QDRO Alternate Payees, Employers Obligated to Contribute, Local Unions Representing Plan Participants, Secretary of Labor, Pension Benefit Guaranty Corporation

FROM: Board of Trustees

DATE: October 19, 2017

RE: **Notice of the Actuary's Certification of Critical Status of the Plan under the Pension Protection Act of 2006 for the Southern California IBEW-NECA Pension Plan**

This is to inform you that the Southern California IBEW-NECA Pension Plan (“Plan”) was certified by its Actuary on September 28, 2017 to be in critical status for the Plan Year beginning July 1, 2017, pursuant to IRC Section 432(b)(3). Federal law requires that you receive this notice.

IMPORTANT – If you are a retired participant (pensioner), beneficiary or QDRO Alternate Payee receiving pension payments, the Fund is required to send you this notice. However, the benefit changes described in this notice do not apply to you.

Critical Status

The Plan was certified to be in critical status for the plan year beginning July 1, 2017 because it was in critical status in the prior plan year and has not yet emerged from critical status. More specifically, the plan’s actuary determined that the plan is projected to have an “accumulated funding deficiency” (the funding standard account credit balance will be negative) within the current or subsequent 9 years.

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. On September 28, 2016, you were notified that the plan reduced or eliminated certain adjustable benefits. If the Trustees of the plan determine 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 a participant’s basic benefit accrued to date and payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date was on or after April 1, 2017.