

**Notice of Critical Status
for the
IBEW LOCAL UNION NO. 98 ZONE 2
PENSION TRUST FUND**

This notice is to inform you that on March 30, 2018 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan will remain in critical status for the plan year beginning January 1, 2018. Federal law requires that you receive this notice.

Critical Status

The plan will remain in critical status until it is projected to have a positive credit balance for the next 10 years. The Plan's actuary determined that the Plan has an accumulated funding deficiency for the current Plan Year.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the eleventh year the plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On April 25, 2008, you were notified that the plan could reduce or eliminate adjustable benefits. On April 25, 2008, you were notified that as of that date 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. On April 25, 2008, you were notified that the disability retirement benefit and pre-retirement death benefits changed. On May 27, 2009, you were notified that the plan reduced or eliminated adjustable or ancillary 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 payable at normal retirement. In addition, the reductions of adjustable benefits only apply to participants and beneficiaries whose benefit commencement date is on or after April 25, 2008.

Adjustable benefits

The Plan offered the following adjustable benefits before it entered critical status, which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt:

- Early retirement benefit or retirement-type subsidy;
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA);

The law also allows changes in certain "ancillary" benefits, such as disability and lump sum death benefits, and future benefits accruals without regard to critical status.

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. The surcharge ends with the effective date of a contribution agreement that is consistent with the rehabilitation plan for the Plan, which was adopted in 2008.

Where to Get More Information

For more information about this Notice, you may contact the plan administrator at the Fund office of the IBEW Local Union No. 98 Zone 2 Pension Trust Fund at Frank M. Vaccaro & Associates by telephone at 1-215-599-6436 or by letter at 1719 Spring Garden Street, Philadelphia, PA 19130. You have a right to receive a copy of the Rehabilitation Plan from the Plan.