

## **Notice of Endangered Status for Southern Connecticut I.B.E.W. Pension Plan**

This Notice is to inform you that on March 30, 2010 the Plan actuary certified to the U.S. Department of the Treasury and to the Plan Sponsor that the Plan is in "Endangered Status" for the plan year beginning January 1, 2010. Federal law requires that you receive this Notice.

### **Endangered Status**

The plan's actuary must annually project the plan's assets, benefit costs, contributions, and unfunded liability to determine if the plan will be able to pay benefits when due or if the plan is expected to run out of assets. In this way, the plan's actuary determines the plan's funded percentage and whether the plan will fail to meet its required funding standards in any of the next ten years. The plan's actuary determined that the plan's funded percentage for 2010 is less than 80%. Therefore, the plan is considered to be in "Endangered" Status. The actuary's analysis shows that the plan is not and will not be in "Critical" Status for 2010.

### **Funding Improvement Plan and Possibility of Reduction in Benefits**

Federal law requires pension plans in "Endangered" Status adopt a "Funding Improvement Plan" aimed at restoring the financial health of the plan and anticipating future funding issues based upon the actuary's projections. More specifically, the goal of the Funding Improvement Plan is to increase the plan's funding percentage by  $\frac{1}{3}$  during the 13 year Funding Improvement Period while also avoiding a minimum funding shortfall. The trustees of the Plan adopted a Funding Improvement Plan at the October 28, 2009 Board of Trustees meeting. The Funding Improvement Period will begin on January 1, 2011.

The law permits pension plans to reduce benefits before they are earned in future years as part of a Funding Improvement Plan. If the Trustees of the Plan determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions.

### **Looking Ahead**

The plan's funding status must be reviewed and certified annually. Notices like this one will be sent each year until our plan is no longer in Endangered Status. The Funding Improvement Plan will also be updated each year.

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

For more information about this election, you may contact the Board of Trustees of the Southern Connecticut I.B.E.W. Pension Plan / c/o Richard Poulaino, / Insurance Programmers, Inc. / 10 Technology Drive / Wallingford, CT 06492-7617, or call (203) 269-7741. You have a right to receive a copy of the "Funding Improvement Plan" from the Plan.

April 26, 2010