



I.B.E.W. Local 43 and Electrical Contractors Trust Funds
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Notice of Endangered Status

International Brotherhood of Electrical Workers Local 43 and Electrical Contractors Pension Plan

To: Participants, Beneficiaries, Contributing Employers and Union Officers.

This is to inform you that on September 28, 2011, as required by federal law, the actuary for the International Brotherhood of Electrical Workers Local 43 and Electrical Contractors Pension Plan (the "Fund") certified to the U.S. Department of the Treasury and to the Board of Trustees that the Fund is in endangered status for the Plan Year beginning July 1, 2011. That same federal law requires that you receive this notice.

Introduction

The Pension Protection Act ("Act"), signed into law in 2006, is intended to improve the financial condition of pension funds. The Act introduced several formal safeguards and added notification requirements for Trustees to share more information about a fund's financial circumstances with participants, contributing employers, and others directly related to the pension plan. Many of the Act's safeguards relate to funding, which, in simplest terms, is how much a pension plan has coming in, going out, and what is in reserve (or "in the bank") for future obligations. The safeguards are intended to prevent future funding problems and correct those that have already developed.

The Act requires us to test the Fund annually to determine its official funding status. The federal law has adopted specific phrases to classify a fund's status at the time of the report and these have come to be identified with a "color code." Funds that are labeled as "seriously endangered" or "endangered" status (commonly known as yellow zone) or "critical" status (or, red zone) must notify all fund participants, beneficiaries, unions, and contributing employers of the fund's status, as well as take corrective action to restore the fund's financial health.

Fund's Status – Yellow Zone

The Fund is in endangered status (yellow zone) as of July 1, 2011, based on the actuary's determination that the Fund is less than 80% funded.

Funding Improvement Plan

The Act requires that a fund in the yellow zone adopt a Funding Improvement Plan designed to improve its funded position and to meet the statutory funding requirements. The Trustees are currently developing what changes, if any, need to be made in the Rehabilitation Plan that was previously adopted when the Plan was in the red zone for the prior Plan year. Once the Funding Improvement Plan is finalized, a summary of it will be sent to you.

Benefit Restrictions

Due to the critical status certification last year, the Fund was not permitted to allow participants to select the Social Security Level Income Option or any other payment in excess of the monthly amount paid under a single life annuity (except for the payout of benefits with a value that is less than \$5,000). Since the Fund is no longer in critical status, this restriction no longer applies.

What's Next

We understand that legally required notices like this one can create concern about the Fund's future. Be assured that the Board of Trustees takes very seriously its obligation to preserve the financial viability of the Fund. With the assistance of the Fund's actuary, counsel and other professionals, and working with the contributing employers and the Union, the Trustees are finalizing the development of a Funding Improvement Plan that addresses these issues. As a final note, since the Fund is influenced by economic and financial variables beyond our control (such as market volatility and changes in employment and/or the number of contributing employers), unexpected developments can affect the Fund's status and any future corrective actions needed.

For more information about this notice or the Fund, you may contact the Fund Office at the address or phone number listed at the top of this letter.

Sincerely,

The Board of Trustees

Date: October 2011

As required by law, this notice is being provided to the Pension Benefit Guaranty Corporation (PBGC) and the Department of Labor.