



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
Secretary of Labor
Pension Benefit Guaranty Corporation

FROM: Board of Trustees
Southern California IBEW – NECA Pension Plan

DATE: May 21, 2013

RE: Benefit Changes Under the Endangered Status Funding Improvement Plan

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.

BACKGROUND

In recent years, the Plan’s Board of Trustees has taken steps to bring the Plan’s liabilities into balance with its assets. Despite these efforts, there remain shortfalls that the law requires us to address.

Beginning with the 2008 Plan Year, the Pension Protection Act of 2006 requires the actuary for each multiemployer defined benefit pension plan to certify that plan’s funded status each year. The certification would classify a plan as being in:

- “Endangered status,” which is often called the Yellow Zone.
- “Critical status,” which is often called the Red Zone.
- “Neither endangered nor critical status,” which is often called the Green Zone.

- Plans that are in either the Yellow or Red Zone are subject to special operational requirements and must adopt formal programs to bring their liabilities and assets into better balance. Following is a brief history of the Plan's annual funding status certifications:

**JULY 1, 2008 THROUGH JUNE 30, 2009
ZONE CERTIFICATION – Green Zone**

**JULY 1, 2009 THROUGH JUNE 30, 2010
ZONE CERTIFICATION – Red Zone and Adoption of
a Rehabilitation Plan**

**JULY 1, 2010 THROUGH JUNE 30, 2012
ZONE CERTIFICATION – Green Zone**

For the 2008 Plan Year (July 1, 2008 through June 30, 2009), its first under PPA, the Plan's actuary certified the Southern California IBEW-NECA Pension Plan's funding status to be in neither critical nor endangered status. In other words, it was in the "Green Zone." As you know, in the years following the first certification, the stock markets plunged. Like other investors, the plan had significant losses on its assets, with the value of the portfolio dropping roughly 22%. As a result, the Plan was certified in the Red Zone. On September 28, 2009, the Plan's actuary certified that the Plan is in critical status – for the 2009 Plan Year (July 1, 2009 through June 30, 2010). As required by law, the Plan Adopted a Rehabilitation Plan which included both benefit and contribution changes. Primarily as a result of the changes in the Rehabilitation Plan, the Plan was certified in the "Green Zone" for the next two following years, through June 30, 2012.

With the actuary's most recent certification, the Pension Protection Act requires that the Trustees of the Plan adopt a Funding Improvement Plan designed to enable the Plan to reach Pension Protection Act's statutory funding requirements over time.

**JULY 1, 2012 THROUGH JUNE 30, 2013
ZONE CERTIFICATION – Yellow Zone and Adoption of
A Funding Improvement Plan**

Under the Pension Protection Act, a Funding Improvement Plan is allowed to provide for plan amendments that reduce *the rate of* future accruals and other items.

On May 21, 2013 the Board of Trustees adopted the enclosed Funding Improvement Plan and Schedules which are described below. Each Schedule provides different contribution requirements and different benefit changes. Each Collective Bargaining Agreement must, upon expiration or earlier, be modified to adopt one of the Schedules. Under all of the Schedules benefits accrued prior to the adoption or implementation of that Schedule cannot be and are not reduced. When and if the Default Schedule is agreed to by the bargaining parties or unilaterally implemented by the Board of Trustees if the bargaining parties fail to timely agree to some Schedule, benefits accrued on and after the date of adoption or implementation are subject to various reductions.

Until the bargaining parties agree to a Schedule or, if they fail to timely agree on a schedule, the Default Schedule is imposed; benefits and contributions will generally be governed by the existing Collective Bargaining Agreement and plan provisions.

FUNDING IMPROVEMENT PLAN SCHEDULES

The Funding Improvement Plan contains two categories of Schedules. Alternative Schedules with versions 1(a) – 1(d) each propose different levels/timing of non-benefit Employer Contribution increases without any benefit reductions. The Default Schedule reduces the accrual rate for future accruals for collective bargaining work and eliminates the (1) disability benefit, (2) 60-month guarantee period, (3) Pre-Retirement 120-month guarantee period for the Death Benefit, and (4) the 662/3% and 100% Joint-and-Survivor Pension. Upon the expiration date of their Collective Bargaining Agreements, Local Unions and Contributing Employers will be required to negotiate new Collective Bargaining Agreements whose terms conform to one of the four Alternative Schedules 1(a) – 1(d) or the Default Schedule. If a bargaining group does not reach agreement on a Contribution rate that conforms to one of the Alternative Schedules within 180 days following the expiration of the prior Collective Bargaining Agreement, the Default Schedule will be automatically imposed on them by the Trustees. Nothing prevents the Contributing Employer and Local Union from agreeing to a Schedule earlier than the current Collective Bargaining Agreement’s expiration.

SUMMARY OF SCHEDULES

The increased Employer Contribution rates and accrual rate changes tied to each Schedule are shown below.

- All additional non-benefit contributions pursuant to the Schedules below shall be disregarded for purposes of determining Participants’ accrued benefits. The additional Contributions are utilized solely to improve the Plan’s funding and result in no benefit accruals whatsoever.

<i>Scenario</i>		<i>Additional Non-Benefit Contributions</i>	<i>Accrual Rate</i>	
			<i>Base</i>	<i>Early Ret Eligible</i>
Default	Accrual Rate decrease for benefits accrued on or after implementation of this schedule and eliminates (1) disability benefit, (2) 60-month guarantee period, (3) Pre-Retirement 120-month guarantee period for the Death Benefit, and (4) the 662/3% and 100% Joint-and-Survivor Pension.	\$0.00	1.00%	1.00%
Alternative 1(a)	Contribution increase at July 1, 2014	\$0.73	1.45%	1.90%
Alternative 1(b)	3 years of increases at July 1, 2014, July 1, 2015 & July 1, 2016	\$0.28 per hour per year	1.45%	1.90%
Alternative 1(c)	Contribution increase at July 1, 2015	\$0.84	1.45%	1.90%
Alternative 1(d)	3 years of increases at July 1, 2015, July 1, 2016 & July 1, 2017	\$0.33 per hour per year	1.45%	1.90%

WHEN FUNDING IMPROVEMENT PLAN CHANGES APPLY

The future current monthly benefit accruals of active participants are not subject to reduction under this Funding Improvement Plan except for the Default Plan. Funding Improvement Plan changes apply once a Collective Bargaining Agreement is amended or adopted electing one of the schedules or if the Default Schedule is/was automatically implemented. Note that the Default Schedule was already implemented in some instances under the Plan's former Rehabilitation Plan. Following is a description of when changes apply for special cases:

- For non-bargaining unit Employees employed by an Employer who also contributes on behalf of bargaining unit employees, the Schedule and Implementation date is the same as the Schedule and implementation dates for the Employer's bargaining unit employees. For non-bargaining unit Employees not employed by an Employer that contributes pursuant to a Collective Bargaining Agreement, their implementation date is the earlier of the employer's adoption of a schedule or 180 days from July 1, 2013.
- Participants who work outside the jurisdiction of this Fund and have monies sent to this Fund on their behalf under a "money follows the man" reciprocity agreement shall, for such time period, be treated as not covered by a collective bargaining agreement connected with this Fund and therefore subject to the benefit provisions of the Default Schedule. Participants who work within the jurisdiction of this Fund and have Employer Contributions sent to an outside fund under a "money follows the man" reciprocity agreement, shall have all increased non-benefit Contributions under any Schedule remain in the Southern California IBEW-NECA Pension Plan for funding purposes only. These Contributions result in no benefit accruals for any participant.

Special Rules for Application of Benefit Reductions

Active Participants shall have their benefits accrued under a particular Schedule calculated under the applicable Schedule set forth in the Funding Improvement Plan upon implementation.

If a Participant changes Employers and, as a result, becomes covered under a different Schedule, benefits shall be determined as follows: If a Participant who was covered by a particular Schedule subsequently becomes covered by another Schedule, benefits accrued up to the date of the change will be determined under the first Schedule and benefits accrued after that date will be determined under the second Schedule. To the extent required by law, this may result in separate and distinct annuities being provided to an individual Plan Participant to assure compliance with all applicable law.

In the event that a particular Schedule is implemented for an Employer, and then another Schedule is bargained as part of a subsequent negotiation, the Trustees may develop a revised Contribution schedule for that particular situation.

Benefits of a Beneficiary or alternate payee with respect to a Participant or Pensioner shall be determined based upon the Schedule applicable to the benefits of the Participant or Pensioner to whom they relate.

Automatic Implementation of Default Schedule

If a Collective Bargaining Agreement providing for Contributions under the Plan expires, and after receiving the Default and Alternative Schedules, the bargaining parties fail to adopt an agreement with terms consistent with any of those Schedules, the Default Schedule will be imposed, and the benefits adjusted accordingly, 180 days after the date on which the Collective Bargaining Agreement expires.

BENEFIT ACCRUAL FORMULA & BENEFIT CHANGES

IMPORTANT NOTE – *Changes in the Plan's benefit accrual formula do not apply to benefits earned for work in Covered Employment prior to the date of the formula change. In other words, the accrual rate of your benefit earned prior to that date is not reduced.*

Current Plan

Since the Rehabilitation Plan was put in place, effective October 28, 2009, all accruals under the Plan have the following reduction: The early Retirement Pension for Participants retiring prior to age 55 is based on actuarial reductions from Normal Retirement Age (age 65).

A Participant's benefit accrual for a Plan Credit Year is determined by multiplying the amount of Employer Contributions by a percentage factor. The current percentage factor is 1.45% and 1.90% after completion of 42,500 hours and 23 Plan Years for work under a collective bargaining agreement requiring contributions to the Plan.

Here is an example of how the current formula would be applied in the case of a Participant who works 1,700 hours in Covered Employment in a Plan Credit Year for an Employer that contributes \$5.30 per hour on his behalf; of which \$1.30 per hour does not accrue any benefit:

The Participant has a total of \$9,010.00 contributed on his behalf (1,700 hours x \$5.30/hour) of which only \$6,800 will accrue a benefit. For this Plan Credit Year, the Participant accrues a monthly benefit of \$98.60 (1.45% of \$6,800.00).

Funding Improvement Plan Schedule Changes

1. Following is a summary of how the Alternative Schedules under the Funding Improvement Plan work.

Alternative Schedule 1(a)

The current Plan's accrued formula remains the same but excludes both the current \$1.30 and an additional \$0.73 per hour required under Schedule 1(a) beginning July 1, 2014. Using the same assumptions that appeared in the example of the Current Plan, here is an example of how Schedule 1(a) formula would work:

The Participant has a total of \$10,251 contributed on his behalf (1,700 hours x \$6.03 per hour of which only \$4.00 per hour accrues any benefit). The Participant accrues a monthly benefit of \$98.60 (1.45% of 1,700 hours multiplied by \$4.00 per hour) which is the same as earned under the current formula.

Alternative Schedule 1(b)

The current Plan's accrued formula remains the same but excludes both the current \$1.30 with an additional \$0.28 per hour increase in each of 3 years (starting at July 1, 2014 for a total of \$0.84 by the third increase at July 1, 2016) as required under Schedule 1(b). Using the same assumptions that appeared in the example of the Current Plan, here is an example of how the Schedule 1(b) formula would work:

After the third year's increase, the Participant has a total of \$10,438 contributed on his behalf (1,700 hours x \$6.14 per hour of which only \$4.00 per hour accrues any benefit). The Participant accrues a monthly benefit of \$98.60 (1.45% of 1,700 hours multiplied by \$4.00 per hour) which is the same as earned under the current formula.

Alternative Schedule 1(c)

The current Plan's accrued formula remains the same but excludes both the current \$1.30 and an additional \$0.84 per hour required under Schedule 1(a) beginning July 1, 2015. Using the same assumptions that appeared in the example of the Current Plan, here is an example of how Schedule 1(a) formula would work:

The Participant has a total of \$10,438 contributed on his behalf (1,700 hours x \$6.14 per hour of which only \$4.00 per hour accrues any benefit). The Participant accrues a monthly benefit of \$98.60 (1.45% of 1,700 hours multiplied by \$4.00 per hour) which is the same as earned under the current formula.

Alternative Schedule 1(d)

The current Plan's accrued formula remains the same but excludes both the current \$1.30 with an additional \$0.33 per hour increase in each of 3 years (starting at July 1, 2015 for a total of \$0.99 by the third increase at July 1, 2017) as required under Schedule 1(d). Using the same assumptions that appeared in the example of the Current Plan, here is an example of how the Schedule 1(d) formula would work:

After the third year's increase, the Participant has a total of \$10,693 contributed on his behalf (1,700 hours x \$6.29 per hour of which only \$4.00 per hour accrues any benefit). The Participant accrues a monthly benefit of \$98.60 (1.45% of 1,700 hours multiplied by \$4.00 per hour) which is the same as earned under the current formula.

2. For any Collective Bargaining Agreement that switches from an Alternative Schedule under the Rehabilitation Plan to the Default Schedule under the Funding Improvement Plan, benefits for hours worked after the date of implementation of this Schedule are determined as follows:

- The current Plan's benefit accrual formula (1.45%/1.90%) is replaced with 1.00% of contributions made on the participant's behalf
- Any current non-benefit contributions made after the date of implementation of this Schedule (e.g. the \$1.30 under the Alternative Rehabilitation Plan Schedule) are included in calculating benefits at the 1.00% rate
- The other provisions of the existing Default Schedule established under the Rehabilitation Plan apply.

Using the same assumptions that appeared in the example of the current Plan, here is an example of how the Default Schedule formula would work for an agreement switching from an Alternative Schedule under the Rehabilitation Plan to the Default Schedule under the Funding Improvement Plan.

After implementation of the Default Schedule, the Participant has a total of \$9,010 contributed on his behalf (1,700 hours x \$5.30/hour). For this Plan Credit Year, the Participant accrues a monthly benefit of \$90.10 (1.0% of \$9,010.00). Working the same hours, it would take about 1.1 years under the Default Schedule to earn the same normal benefit under the current plan.

In addition to the 1.00% accrual rate, following is a summary of the additional reductions that would take place for an agreement switching from an Alternative Schedule under the Rehabilitation Plan to the Default Schedule under the Funding Improvement Plan:

- The disability benefit is eliminated for any accruals earned under the Default Schedule. A Participant who becomes disabled could elect to retire if eligible for Normal or Early Pension Benefit.
- The 60-month guarantee period is eliminated for any accruals earned under the Default Schedule. For example, if a Participant commences benefits under a single life annuity and then dies before 60-months of payments have been made, the benefit from any accruals earned under the Default Schedule would stop.
- The Pre-Retirement 120-month guarantee period for the Death Benefit is eliminated for any accruals earned under the Default Schedule.
- The only forms of benefit payment available to a retiring participant commencing receipt of benefits earned/accrued under the Default Schedule shall be a single life annuity with no guarantee period, the 50% Joint-and-Survivor Pension, and the 75% Joint-and-Survivor Pension. The reduction factors for the Joint-and-Survivor payment forms are adjusted so as to be actuarially equivalent to a single life annuity with no guarantee period (previously actuarially equivalent to a single life annuity with 60-month guarantee). Following is an example of the differences in Joint-and-Survivor Pension amounts based on the current Plan's factors (with 60-month guarantee) factors under the Default Schedule (without 60-month guarantee).

For a participant and beneficiary both age 63, where the participant's benefit is a \$1,000 single life annuity benefit with 60-month guarantee (accrued prior to the removal of the 60-month guarantee), the benefit is converted to a 50% Joint-and-Survivor Pension using an actuarial

equivalent factor of 0.906 giving a 50% Joint-and-Survivor Pension amount of \$906. For a \$1,000 single life annuity benefit accrued after the removal of the 60-month guarantee the actuarial equivalent factor to convert to the same form is 0.887 giving a 50% Joint-and-Survivor Pension of \$887.

With both ages the same as above (age 63) for a \$1,000 single life annuity benefit with 60-month guarantee (accrued prior to the removal of the 60-month guarantee), the benefit is converted to a 75% Joint-and-Survivor Pension using an actuarial equivalent factor of 0.857 giving a 75% Joint-and-Survivor Pension amount of \$857. For a \$1,000 single life annuity benefit accrued after the removal of the 60-month guarantee the actuarial equivalent factor to convert to the same form is 0.840 giving a 75% Joint-and-Survivor Pension of \$840.

3. For any Collective Bargaining Agreement, if any, that is under the Default Schedule under the Rehabilitation Plan that agrees to stay under the Default Schedule under the Funding Improvement Plan, there is no change.

<p style="text-align: center;">ADDITIONAL INFORMATION AND RIGHTS UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (ERISA)</p>

If you have any questions concerning these Plan changes and how they will affect your benefits, or about your benefits in general, please contact the Fund Office at the following address and telephone number:

Ms. Joanne Keller, Administrator
Southern California IBEW-NECA Trust Funds
P.O. Box 910918
Los Angeles, CA 90091
(323) 221-5861 or (800) 824-6935
Fax: (323) 726-3520

Participants and beneficiaries have rights under the Plan and ERISA as described below and in your summary plan description (SPD) booklet.

RIGHT OF APPEAL UNDER THE PLAN

If your application for benefits is denied, you will be notified of the denial, in writing, within a reasonable period of time, but not later than 90 days after the Fund Office receives your application. However, if the Fund Office determines that special circumstances require an extension of time for processing the application, the Fund Office will send you a written notice of the extension before the end of the 90-day period. Any such extension will not exceed a period of 90 days from the end of such initial 90-day period. The extension notice will indicate the special circumstances requiring the extension of time, and the date by which the Plan expects to render a decision.

The period of time within which the Fund Office must make a decision on your application will begin at the time you file your application for benefits with the Fund Office, without regard to whether all the information necessary to make a decision has been sent to the Fund Office. If the decision period is extended, as permitted above, due to your failure to submit information necessary to make a determination, the period for making the benefit determination will be tolled from the date on which the Fund Office notifies you of the extension until the date you respond to the request for additional information.

The written notice of benefit denial will set forth the following information:

1. The specific reason(s) for the adverse determination;
2. Reference to the specific Plan provision(s) on which the denial is based;
3. A description of any additional material or information you must submit to perfect your claim, and an explanation of why such material or information is necessary;
4. A description of the plan's review procedures and the time limits applicable to such procedures, including a statement of your right to bring a civil action under §502(a) of ERISA following an adverse benefit determination on review.
5. In addition to the above, the written notification of the benefit denial will include the specific rule, guideline, protocol or other similar criterion relied upon in making the adverse determination.

If your application for benefits under this Plan has been denied, you may appeal the decision. Your appeal:

1. Must be in writing; and
2. Must state in clear and concise terms the reason(s) you disagree with the decision of the Board of Trustees; and
3. May include documents, records, and other information related to the claim for benefits; and
4. Must be filed by you or your duly authorized representative with, or be received by, the Fund Office within (60) days after the date you received the notice of denial.

For good cause, the Board of Trustees may permit you to amend or supplement your appeal. If you fail to file your appeal within the sixty (60) day period, you waive your right to reconsideration of the decision. Such failure to appeal will not, however, prevent you from establishing your entitlement to a pension at a later date, based on additional information and evidence that was not available to you at the time of the decision of the Board of Trustees.

Upon request, you or your duly authorized representative will be provided, free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your claim if it was: relied upon in making the benefit determination; was submitted, considered or generated in the course of making the benefit determination, without regard to whether it was relied upon in making the benefit determination; or demonstrates that the benefit determination was made in accordance with the Plan provisions and that such provisions have been applied consistently with respect to similarly situated claims.

On appeal, the Trustees will take into account all comments, documents, records, and other information you submit that relate to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

The decision on appeal will be made by the Trustees or by a committee designated by them no later than the date of the quarterly meeting of the Officers of the Board of Trustees that immediately follows the Plan's receipt of your request for review, unless the request for review is filed within thirty (30) days preceding the date of such meeting. In such case, a benefit determination will be made no later than the date of the second quarterly meeting following the Fund Office's receipt of your request for review. If special circumstances require a further extension of time for processing, a benefit determination will be rendered no later than the third quarterly meeting following the Fund Office's receipt of your request for review and the Board of Trustees will provide you with a written notice of the extension, describing the special circumstances and the date as of which the benefit determination will be made, before the beginning of the extension. The Board of Trustees will notify you of their decision as soon as possible, but not later than 5 days after the decision is made.

The notification of the appeal decision will be in writing and will include the reason(s) for the determination, including references to the specific Plan provisions on which the determination is based. It will also include a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of all documents, records and other information relevant to the claim for benefits.

The denial of a claim to which you waived the right to appeal, or the decision of the Board of Trustees or its designated committee with respect to your appeal, is final and binding upon all parties, subject only to any civil action you may bring under §502(a) of ERISA. Following issuance of a written decision of the Board of Trustees on an appeal, there is no further right of appeal to the Board of Trustees or right to arbitration.

STATEMENT OF ERISA RIGHTS

As a participant in the Southern California IBEW-NECA Pension Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration (EBSA).
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age and, if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator.

If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the status of a qualified domestic relations order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees if, for example, it finds your claim is frivolous.

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest office of the Employee Benefits Security Administration (EBSA), U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210, or visit the EBSA website at www.dol.gov/ebsa/. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the EBSA.

Important – This notice only describes the changes being made to your benefits as part of the Plan's endangered status Funding Improvement Plan. It is not a comprehensive description of all of the other Plan benefits and eligibility provisions. Therefore, it cannot address all of the Plan provisions that may be relevant to your personal situation. The actual operation of the Plan is based on its rules and regulations or plan document. In the event of any conflict between this notice, the Plan summary contained in your Plan booklet or the rules and regulations, your benefits, rights and obligations will be determined under the provisions of the rules and regulations once they have been updated to reflect the changes described in this notice.

AS REQUIRED BY LAW, THIS NOTICE IS ALSO BEING PROVIDED TO THE PENSION BENEFIT GUARANTY CORPORATION (PBGC) AND THE SECRETARY OF THE DEPARTMENT OF LABOR (DOL).

SOUTHERN CALIFORNIA IBEW-NECA PENSION PLAN

FUNDING IMPROVEMENT PLAN

For the Plan Year Beginning July 1, 2012

Introduction

The Pension Protection Act of 2006 (“PPA”) as amended by the Workers Retiree and Employer Recovery Act of 2008, requires the Trustees of a multiemployer pension plan that has been certified by the plan’s actuary as being in Endangered status (also known as “Yellow Zone” status) to develop a Funding Improvement Plan (“FIP”). A FIP must prescribe actions, including recommended actions to be taken by the bargaining parties that are expected to enable a plan to meet stated financial benchmarks by the end of the FIP Period, based on reasonably anticipated experience and on reasonable actuarial assumptions. On September 28, 2012, the Southern California IBEW-NECA Pension Plan (“Plan”) was certified by its Actuary to be in Endangered status for the Plan Year beginning July 1, 2012, pursuant to IRC Section 432(b)(1).

This Funding Improvement Plan:

1. Specifies the Funding Improvement period and the expected emergence date.
2. Includes five schedules (Default Schedule and four Alternative Schedules) of benefit changes and non-benefit contribution changes that will be provided to the bargaining parties, one of which must be implemented as part of future collective bargaining agreements between Local Unions and contributing employers entered into or renewed after May 21, 2013. Nothing prevents an employer and Union from agreeing to implement a particular schedule prior to the expiration of a collective bargaining agreement.
3. Provides requirements for meeting the requirements of the FIP and describes how the FIP will be updated from time to time; and
4. Describes how the Default Schedule will be automatically implemented if there is no agreement between the bargaining parties in a timely manner.

Funding Improvement Plan Period

The Trustees determined, based on information about the expiration of current collective bargaining agreements, that the FIP Period is the period of ten (10) Plan Years beginning July 1, 2015. The Fund is expected to emerge from Endangered Status by July 1, 2025 based on reasonable assumptions and implementation of this FIP.

If the Plan Actuary certifies any time after September 28, 2012 and before the end of this period that the Plan is no longer in Endangered Status for a Plan year, the terms of this FIP will end as of the close of the preceding Plan year.

Schedules

Based on the projected July 1, 2012 funded percentage of 78.1% for purposes of the Plan Actuary's September 28, 2012 certification that the Plan is in Endangered status, the FIP must contain schedules of plan changes and/or contribution rate changes that are projected to:

1. Attain a funded percentage at the close of the FIP period that equals or exceeds the percentage at the beginning of the July 1, 2015 period plus 33% of the difference between 100% and the funded percentage at the beginning of the period (based on the September 28, 2012 certification projection, the July 1, 2015 funding percentage is projected at 77.4%; adding on 33% of the difference with 100% gives a 84.9% target for the June 30, 2025 FIP period end) and
2. Enable the credit balance to be positive for each year of the FIP Period.

Pursuant to the PPA a FIP must include a proposed "default schedule" that identifies the necessary reductions to future benefit accruals necessary to achieve the applicable benchmarks, assuming no collective bargaining agreement increased contributions to the plan (other than contributions necessary to achieve the benchmark after amendments have reduced future benefit accruals to the maximum extent permitted by law). This schedule has been prepared and is set forth below in the Default Schedule of this FIP.

A FIP must also provide a proposed schedule providing increases in contributions necessary to achieve the applicable benchmarks, assuming no amendments reducing future benefit accruals. Four such schedules have been prepared and are set forth below in Alternative Schedules 1(a) through (d) of this FIP. Projections by the Fund Actuary, which were based on reasonable assumptions, indicate that the benchmarks will be achieved by increasing the contribution rates by various amounts at various effective dates beginning either July 1, 2014 or July 1, 2015. These additional hourly contributions would result in no benefit accrual and would be devoted solely to improving the funding of the Plan.

Implementation of Remedies and Schedules

The current monthly benefit of pensioners and beneficiaries whose pension benefits commence prior to implementation of any of the Schedules in this FIP are not affected by this FIP.

As with any Schedule, the Default Schedule is implemented upon adoption by the Collective Bargaining Parties as the applicable Schedule for a particular bargaining unit. However, if after receiving the Schedules contained in this Funding Improvement Plan, should the bargaining parties fail to elect any Schedule within 180 days following the expiration date of a collective bargaining agreement, the Board of Trustees are required by law to unilaterally implement the Default Schedule for the particular bargaining unit.

For non-bargaining unit employee Participants employed by employers who also contribute on behalf of bargaining unit Participants the Schedule and implementation date is the same as the Schedule and implementation date for that employer's bargaining unit employees. For non-bargaining unit employee participants not employed by an employer that contributes pursuant to a collective bargaining agreement their implementation date is the earlier of the employer's adoption of a Schedule or 180 days from July 1, 2013.

Reciprocity and Other Issues Under the FIP and Endangered Status Determination

Off-benefit contributions payable under the Schedules result in no benefit accruals and are devoted solely to improving the funding status of the Plan. Accordingly, individuals who work inside the jurisdiction of this Plan and have employer contributions transferred to another Plan pursuant to the money-follows-the-person Reciprocity Agreement shall see all increased off-benefit contributions under any Schedule remain in this Plan for funding purposes only. Only on-benefit contributions received will be transferred.

The benefits of an Alternative Schedule are available only for work performed under a Collective Bargaining Agreement or Subscription Agreement which specifically adopts the Alternative Schedule. When a Participant works outside the jurisdiction of this Plan, the individual, absent an extraordinary agreement, is not working under an agreement which adopts an Alternative Schedule. When such a Participant reciprocates contributions to this Plan pursuant to the money-follows-the-person Reciprocity Agreement for work performed outside of the Plan's jurisdiction, it must be credited to the Default Schedule absent an extraordinary agreement by the employer to adopt an Alternative Schedule for such work.

Some individuals who never become vested in benefits under this Plan may be entitled to a pro-rata Pension from this Plan due to pro-rata Reciprocity Agreements. The pro-rata Pension of such a non-vested individual shall be calculated and paid pursuant to the Default Schedule except to the extent of Covered Hours contributed to the Plan under an Alternative Schedule which shall accrue benefits in accordance with the Alternative Schedule under which the Covered Hours were worked.

If a Participant works under a particular Schedule and subsequently works under another Schedule benefits accrued during the first period of employment and for prior periods under the same collective bargaining agreement, will be determined under the first applicable Schedule and benefits accrued during employment under a second Schedule shall be determined under the second Schedule. To the extent required by law, this may result in separate and distinct annuities being provided to an individual Plan Participant to assure compliance with all applicable law.

In the event that a particular Schedule is implemented for an employer, and then that employer, in a subsequent negotiation, bargains a different Schedule, the Trustees may develop a revised contribution Schedule for the particular situation.

Rules During the FIP Period and Adoption of the FIP

On and after September 28, 2012, the Board of Trustees may not accept a collective bargaining agreement or participation agreement that provides for: (a) lower contributions for any participants; (b) a suspension of contributions with respect to any period of service; or (c) any new direct or indirect exclusion of younger or newly hired employees from plan participation. During the plan adoption period, the trustees may not amend the plan in any way that increases plan liabilities by reason of an increase in benefits, change in accruals, or change in the vesting rate, unless the amendment is necessary to maintain the plan's qualified status.

Once the FIP has been adopted, the Plan may not be amended in a manner that is inconsistent with the FIP. In addition, the Plan may not be amended to increase benefits, including future benefit accruals unless the Fund Actuary certifies that the benefit increase is consistent with the FIP and is paid for out of contributions not required by the FIP to meet the applicable benchmark.

Based on reasonable assumptions, the fund is expected to emerge from Endangered Status by the Plan Year beginning July 1, 2025. The Trustees recognize the possibility that actual experience could be less favorable than the reasonable assumptions. Therefore, the Trustees are establishing the following annual standards to reflect possible actuarial losses and still keep the Fund on target to emerge from Endangered Status by the end of the FIP Period.

Annual Updating of FIP

Each year the Fund's Actuary will review and certify the status of the Fund under the PPA funding rules and whether the Fund is or is not making the scheduled progress toward the requirements of the FIP. To that end, the chart below provides the projected funded percentage and projected credit balances for each year of the FIP. If the Board of Trustees determines that it is necessary, in light of updated information, they will revise the FIP and the schedules recommended under it. Notwithstanding subsequent changes in contribution schedules, a schedule of contribution rates provided by the Board of Trustees and relied upon by the bargaining parties in negotiating a collective bargaining agreement shall remain in effect for the duration of that collective bargaining agreement. However, a collective bargaining agreement that is renewed or extended will need to include terms consistent with one of the Schedules in effect at the time of the renewal or extension. A failure to adopt such an updated Schedule would require the Board of Trustees to ultimately implement the Default Schedule 180 days subsequent to the expiration of a collective bargaining agreement containing a Schedule.

The Trustees recognize that actual experience could be less favorable than the Actuary's reasonable assumptions and projection set forth below.

Plan Year Ending 6/30	Funding Percentage	Funding Standard Account Balance (in millions)
2015	77.4%	120.2
2016	75.4%	144.2
2017	74.9%	137.8
2018	74.6%	129.5
2019	76.0%	123.2
2020	77.5%	98.8
2021	78.9%	79.4
2022	80.4%	60.1
2023	81.9%	40.1
2024	83.5%	30.2
2025	84.9%	23.2

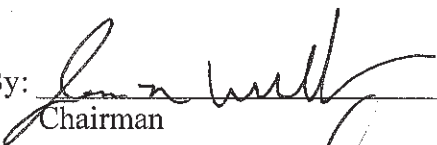
Other Issues

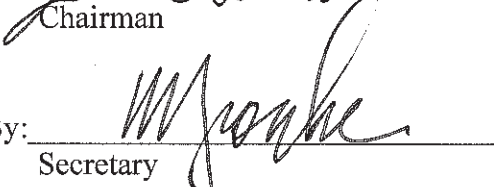
Benefit changes under the Schedules will become effective pursuant to the terms of the FIP as soon as legally permissible after a Schedule is adopted or implemented and those benefit changes are expected to be permanent as required by the PPA for benefits accruing after implementation of a schedule.

The Social Security Level Income option has not been available to retiring Participants since October 28, 2009 and remains unavailable at this time.

The Board of Trustees of the Southern California IBEW-NECA Pension Plan on the 21 day of May, 2013 hereby adopts this FIP for the Plan Year effective July 1, 2012.

Board of Trustees
Southern California IBEW-NECA
Pension Trust Fund

By: 
Chairman

By: 
Secretary

DEFAULT SCHEDULE FOR BENEFITS ACCRUING ON AND AFTER IMPLEMENTATION

Contributions

Employer contribution rate levels shall not increase. If an existing Agreement calls for different rates for apprentices or other classifications than the journeyman rate that practice may continue under this Default Schedule.

Benefit Reductions

With respect to hours worked after the date of implementation of this Schedule, the benefit accrual rate becomes 1.00% of contributions made on the participant's behalf.

Where a collective bargaining agreement is switching from an Alternative Schedule under the Rehabilitation Plan to the Default Schedule under the Funding Improvement Plan, additional contributions being made pursuant to an Alternative Schedule under the Rehabilitation Plan that were being disregarded for purposes of determining a participants' accrued benefits (as described under Article 17 of the Plan) will no longer be disregarded beginning with the implementation of this Default Schedule under the Funding Improvement Plan. Otherwise, "Contributions" for this purpose excludes any contribution increases specifically required by this Schedule and Article 17 of the Plan.

All other provisions of the existing Default Schedule under the Rehabilitation Plan in Article 17 of the Plan remain in effect under the Default Schedule under the Funding Improvement Plan.

- The disability benefit is eliminated for any accruals earned under the Default Schedule.
- The 60-month guarantee period is eliminated for any accruals earned under the Default Schedule.
- The Pre-Retirement 120-month guarantee period for the Death Benefit is eliminated for any accruals earned under the Default Schedule.
- The only forms of benefit payment available to a retiring participant commencing receipt of benefits earned/accrued under the Default Schedule shall be a single life annuity with no guarantee period, the 50% Joint-and-Survivor Pension, and the 75% Joint-and-Survivor Pension. The reduction factors for the Joint-and-Survivor payment forms are adjusted so as to be actuarially equivalent to a single life annuity with no guarantee period.

ALTERNATIVE SCHEDULE 1(a)

Contributions

Employer contribution rate levels shall increase by \$0.73 per hour under this Alternative Schedule 1(a) for July 1, 2014 hours worked and hours worked thereafter.

All additional contributions pursuant to this Schedule shall be disregarded for purposes of determining participants' accrued benefits. Accrued benefits are in no fashion based upon the amount of increased employer contributions under the foregoing Schedule. These contributions shall be utilized solely to improve the funding condition of the Plan and shall result in no benefit accruals whatsoever.

If an existing agreement calls for different rates for apprentices or other classifications than the journeyman rates specified above, proportional off-benefit contribution increases will be required.

Benefit Reductions

Benefit accruals under a Collective Bargaining Agreement after this Schedule is implemented shall be determined disregarding any contribution increases specifically required under this Schedule and Article 17 of the Plan. Except for the foregoing, no other benefit accrual changes or reductions are provided for under this Schedule.

ALTERNATIVE SCHEDULE 1(b)

Contributions

Employer contribution rate levels shall increase by \$0.28 per hour under this Alternative Schedule 1(b) for July 1, 2014 hours worked and hours worked thereafter, an additional \$0.28 per hour under this Alternative Schedule 1(b) for July 1, 2015 hours worked and hours worked thereafter and an additional \$0.28 per hour under this Alternative Schedule 1(b) for July 1, 2016 hours worked and hours worked thereafter.

All additional contributions pursuant to this Schedule shall be disregarded for purposes of determining participants' accrued benefits. Accrued benefits are in no fashion based upon the amount of increased employer contributions under the foregoing Schedule. These contributions shall be utilized solely to improve the funding condition of the Plan and shall result in no benefit accruals whatsoever.

If an existing agreement calls for different rates for apprentices or other classifications than the journeyman rates specified above, proportional off-benefit contribution increases will be required.

Benefit Reductions

Benefit accruals under a Collective Bargaining Agreement after this Schedule is implemented shall be determined disregarding any contribution increases specifically required under this Schedule and Article 17 of the Plan. Except for the foregoing, no other benefit accrual changes or reductions are provided for under this Schedule.

ALTERNATIVE SCHEDULE 1(c)

Contributions

Employer contribution rate levels shall increase by \$0.84 per hour under this Alternative Schedule 1(c) for July 1, 2015 hours worked and hours worked thereafter.

All additional contributions pursuant to this Schedule shall be disregarded for purposes of determining participants' accrued benefits. Accrued benefits are in no fashion based upon the amount of increased employer contributions under the foregoing Schedule. These contributions shall be utilized solely to improve the funding condition of the Plan and shall result in no benefit accruals whatsoever.

If an existing agreement calls for different rates for apprentices or other classifications than the journeyman rates specified above, proportional off-benefit contribution increases will be required.

Benefit Changes

Benefit accruals under a Collective Bargaining Agreement after this Schedule is implemented shall be determined disregarding any contribution increases specifically required under this Schedule and Article 17 of the Plan. Except for the foregoing, no other benefit accrual changes or reductions are provided for under this Schedule.

ALTERNATIVE SCHEDULE 1(d)

Contributions

Employer contribution rate levels shall increase by \$0.33 per hour under this Alternative Schedule 1(d) for July 1, 2015 hours worked and hours worked thereafter, an additional \$0.33 per hour under this Alternative Schedule 1(d) for July 1, 2016 hours worked and hours worked thereafter and an additional \$0.33 per hour under this Alternative Schedule 1(d) for July 1, 2017 hours worked and hours worked thereafter.

All additional contributions pursuant to this Schedule shall be disregarded for purposes of determining participants' accrued benefits. Accrued benefits are in no fashion based upon the amount of increased employer contributions under the foregoing Schedule. These contributions shall be utilized solely to improve the funding condition of the Plan and shall result in no benefit accruals whatsoever.

If an existing agreement calls for different rates for apprentices or other classifications than the journeyman rates specified above, proportional off-benefit contribution increases will be required.

Benefit Reductions

Benefit accruals under a Collective Bargaining Agreement after this Schedule is implemented shall be determined disregarding any contribution increases specifically required under this Schedule and Article 17 of the Plan. Except for the foregoing, no other benefit accrual changes or reductions are provided for under this Schedule.

**AMENDMENT NO. 7
TO THE
SOUTHERN CALIFORNIA IBEW-NECA PENSION PLAN**

This Amendment to the Southern California IBEW-NECA Pension Plan (“Plan”) executed this 21st day of May, 2013 is made by the Board of Trustees of the Southern California IBEW-NECA Pension Trust Fund (“Board of Trustees”) with referenced to the following facts and circumstances:

A. The Board of Trustees wishes to amend the provision of the Plan to comply with the Pension Protection Act of 2006.

B. The Board of Trustees has reserved to themselves the ability to amend the Plan from time to time.

NOW THEREFORE, the Plan is amended as follows:

1. The following Article 18 shall replace the existing Article 18.

ARTICLE 18

FUNDING IMPROVEMENT PLAN

The provisions of this Article 18 shall be effective for all benefits commenced on or after implementation of a particular schedule or as set forth under the terms of each Schedule and shall supersede the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Article. Benefits commenced prior to implementation of a particular schedule continue to be governed by other applicable provisions of the Plan. Any internal cross-references in the Sections of this Article are for convenience only and are not inclusive or controlling.

The Board of Trustees hereby adopts a Funding Improvement Plan (“FIP”), which provides as follows:

The Pension Protection Act of 2006 (“PPA”) as amended by the Workers Retiree and Employer Recovery Act of 2008, requires the Trustees of a multiemployer pension plan that has been certified by the plan’s actuary as being in Endangered status (also known as “Yellow Zone” status) to develop a Funding Improvement Plan. A FIP must prescribe actions, including recommended actions to be taken by the bargaining parties that are expected to enable a plan to meet stated financial benchmarks by the end of the FIP Period, based on reasonably anticipated experience and on reasonable actuarial assumptions. On September 28, 2012, the Southern California IBEW-NECA Pension Plan (“Plan”) was certified by its Actuary to be in Endangered status for the Plan Year beginning July 1, 2012, pursuant to IRC Section 432(b)(1).

This Funding Improvement Plan:

1. Specifies the Funding Improvement period and the expected emergence date;
2. Includes five schedules (Default Schedule and four Alternative Schedules) of benefit changes and non-benefit contribution changes that will be provided to the bargaining parties, one of which must be implemented as part of future collective bargaining agreements between Local Unions and contributing employers entered into or renewed after May 21, 2013. Nothing prevents an employer and Union from agreeing to implement a particular schedule prior to the expiration of a collective bargaining agreement;
3. Provides requirements for meeting the requirements of the FIP and describes how the FIP will be updated from time to time; and
4. Describes how the Default Schedule will be automatically implemented if there is no agreement between the bargaining parties in a timely manner.

Funding Improvement Plan Period

The Trustees determined, based on information about the expiration of current collective bargaining agreements, that the FIP Period is the period of ten (10) Plan Years beginning July 1, 2015. The Fund is expected to emerge from Endangered Status by July 1, 2025 based on reasonable assumptions and implementation of this FIP.

If the Plan Actuary certifies any time after September 28, 2012 and before the end of this period that the Plan is no longer in Endangered Status for a Plan year, the terms of this FIP will end as of the close of the preceding Plan year.

Schedules

Based on the projected July 1, 2012 funded percentage of 78.1% for purposes of the Plan Actuary's September 28, 2012 certification that the Plan is in Endangered status, the FIP must contain schedules of plan changes and/or contribution rate changes that are projected to:

1. Attain a funded percentage at the close of the FIP period that equals or exceeds the percentage at the beginning of the July 1, 2015 period plus 33% of the difference between 100% and the funded percentage at the beginning of the period (based on the September 28, 2012 certification projection, the July 1, 2015 funding percentage is projected at 77.4%; adding on 33% of the difference with 100% gives a 84.9% target for the June 30, 2025 FIP period end); and
2. Enable the credit balance to be positive for each year of the FIP Period.

Pursuant to the PPA a FIP must include a proposed "default schedule" that identifies the necessary reductions to future benefit accruals necessary to achieve the applicable benchmarks, assuming no collective bargaining agreement increased contributions to the plan (other than contributions necessary to achieve the benchmark after amendments have reduced future benefit accruals to the maximum extent permitted by law). This schedule has been prepared and is set forth below in the Default Schedule of this FIP.

A FIP must also provide a proposed schedule providing increases in contributions necessary to achieve the applicable benchmarks, assuming no amendments reducing future benefit accruals. Four such schedules have been prepared and are set forth below in Alternative Schedules 1(a) through (d) of this FIP. Projections by the Fund Actuary, which were based on reasonable assumptions, indicate that the benchmarks will be achieved by increasing the contribution rates by various amounts at various effective dates beginning either July 1, 2014 or July 1, 2015. These additional hourly contributions would result in no benefit accrual and would be devoted solely to improving the funding of the Plan.

Implementation of Remedies and Schedules

The current monthly benefit of pensioners and beneficiaries whose pension benefits commence prior to implementation of any of the Schedules in this FIP are not affected by this FIP.

As with any Schedule, the Default Schedule is implemented upon adoption by the Collective Bargaining Parties as the applicable Schedule for a particular bargaining unit. However, if after receiving the Schedules contained in this Funding Improvement Plan, should the bargaining parties fail to elect any Schedule within 180 days following the expiration date of a collective bargaining agreement, the Board of Trustees are required by law to unilaterally implement the Default Schedule for the particular bargaining unit.

For non-bargaining unit employee Participants employed by employers who also contribute on behalf of bargaining unit Participants the Schedule and implementation date is the same as the Schedule and implementation date for that employer's bargaining unit employees. For non-bargaining unit employee participants not employed by an employer that contributes pursuant to a collective bargaining agreement their implementation date is the earlier of the employer's adoption of a Schedule or 180 days from July 1, 2013.

Reciprocity and Other Issues Under the FIP and Endangered Status Determination

Off-benefit contributions payable under the Schedules result in no benefit accruals and are devoted solely to improving the funding status of the Plan. Accordingly, individuals who work inside the jurisdiction of this Plan and have employer contributions transferred to another Plan pursuant to the money-follows-the-person Reciprocity Agreement shall see all increased off-benefit contributions under any Schedule remain in this Plan for funding purposes only. Only on-benefit contributions received will be transferred.

The benefits of an Alternative Schedule are available only for work performed under a Collective Bargaining Agreement or Subscription Agreement which specifically adopts the Alternative Schedule. When a Participant works outside the jurisdiction of this Plan, the individual, absent an extraordinary agreement, is not working under an agreement which adopts an Alternative Schedule. When such a Participant reciprocates contributions to this Plan pursuant to the money-follows-the-person Reciprocity Agreement for work performed outside of the Plan's jurisdiction, it must be credited to the Default Schedule absent an extraordinary agreement by the employer to adopt an Alternative Schedule for such work.

Some individuals who never become vested in benefits under this Plan may be entitled to a pro-rata Pension from this Plan due to pro-rata Reciprocity Agreements. The pro-rata Pension of such a non-vested individual shall be calculated and paid pursuant to the Default Schedule except to the extent of Covered Hours contributed to the Plan under an Alternative Schedule which shall accrue benefits in accordance with the Alternative Schedule under which the Covered Hours were worked.

If a Participant works under a particular Schedule and subsequently works under another Schedule benefits accrued during the first period of employment and for prior periods under the same collective bargaining agreement, will be determined under the first applicable Schedule and benefits accrued during employment under a second Schedule shall be determined under the second Schedule. To the extent required by law, this may result in separate and distinct annuities being provided to an individual Plan Participant to assure compliance with all applicable law.

In the event that a particular Schedule is implemented for an employer, and then that employer, in a subsequent negotiation, bargains a different Schedule, the Trustees may develop a revised contribution Schedule for the particular situation.

Rules During the FIP Period and Adoption of the FIP

On and after September 28, 2012, the Board of Trustees may not accept a collective bargaining agreement or participation agreement that provides for: (a) lower contributions for any participants; (b) a suspension of contributions with respect to any period of service; or (c) any new direct or indirect exclusion of younger or newly hired employees from plan participation. During the plan adoption period, the trustees may not amend the plan in any way that increases plan liabilities by reason of an increase in benefits, change in accruals, or change in the vesting rate, unless the amendment is necessary to maintain the plan's qualified status.

Once the FIP has been adopted, the Plan may not be amended in a manner that is inconsistent with the FIP. In addition, the Plan may not be amended to increase benefits, including future benefit accruals unless the Fund Actuary certifies that the benefit increase is consistent with the FIP and is paid for out of contributions not required by the FIP to meet the applicable benchmark.

Based on reasonable assumptions, the fund is expected to emerge from Endangered Status by the Plan Year beginning July 1, 2025. The Trustees recognize the possibility that actual experience could be less favorable than the reasonable assumptions. Therefore, the Trustees are establishing the following annual standards to reflect possible actuarial losses and still keep the Fund on target to emerge from Endangered Status by the end of the FIP Period.

Annual Updating of FIP

Each year the Fund's Actuary will review and certify the status of the Fund under the PPA funding rules and whether the Fund is or is not making the scheduled progress toward the requirements of the FIP. To that end, the chart below provides the projected funded percentage and projected credit balances for each year of the FIP. If the Board of Trustees determines that it is necessary, in light of updated information, they will revise the FIP and the schedules recommended under it. Notwithstanding subsequent changes in contribution schedules, a schedule of contribution rates provided by the Board of Trustees and relied upon by the bargaining parties in negotiating a collective bargaining agreement shall remain in effect for the duration of that collective bargaining agreement. However, a collective bargaining agreement that is renewed or extended will need to include terms consistent with one of the Schedules in effect at the time of the renewal or extension. A failure to adopt such an updated Schedule would require the Board of Trustees to ultimately implement the Default Schedule 180 days subsequent to the expiration of a collective bargaining agreement containing a Schedule.

The Trustees recognize that actual experience could be less favorable than the Actuary's reasonable assumptions and projection set forth below.

Plan Year Ending 6/30	Funding Percentage	Funding Standard Account Balance (in millions)
2015	77.4%	120.2
2016	75.4%	144.2
2017	74.9%	137.8
2018	74.6%	129.5
2019	76.0%	123.2
2020	77.5%	98.8
2021	78.9%	79.4
2022	80.4%	60.1
2023	81.9%	40.1
2024	83.5%	30.2
2025	84.9%	23.2

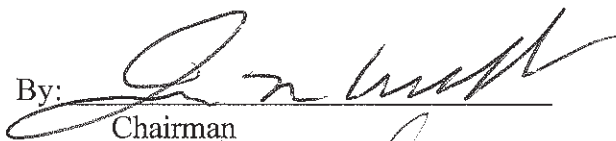
Other Issues

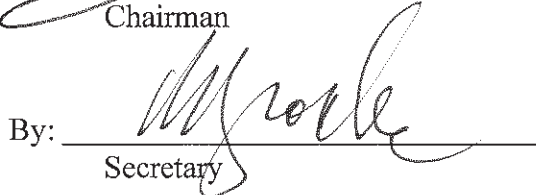
Benefit changes under the Schedules will become effective pursuant to the terms of the FIP as soon as legally permissible after a Schedule is adopted or implemented and those benefit changes are expected to be permanent as required by the PPA for benefits accruing after implementation of a schedule.

The Social Security Level Income option has not been available to retiring Participants since October 28, 2009 and remains unavailable at this time.

The Board of Trustees of the Southern California IBEW-NECA Pension Plan on the 21st day of May, 20 13 hereby adopts this FIP for the Plan Year effective July 1, 2012.

Board of Trustees
Southern California IBEW-NECA
Pension Trust Fund

By: 
Chairman

By: 
Secretary

DEFAULT SCHEDULE FOR BENEFITS ACCRUING ON AND AFTER IMPLEMENTATION

Contributions

Employer contribution rate levels shall not increase. If an existing Agreement calls for different rates for apprentices or other classifications than the journeyman rate that practice may continue under this Default Schedule.

Benefit Reductions

With respect to hours worked after the date of implementation of this Schedule, the benefit accrual rate becomes 1.00% of contributions made on the participant's behalf.

Where a collective bargaining agreement is switching from an Alternative Schedule under the Rehabilitation Plan to the Default Schedule under the Funding Improvement Plan, additional contributions being made pursuant to an Alternative Schedule under the Rehabilitation Plan that were being disregarded for purposes of determining a participants' accrued benefits (as described under Article 17 of the Plan) will no longer be disregarded beginning with the implementation of this Default Schedule under the Funding Improvement Plan. Otherwise, "Contributions" for this purpose excludes any contribution increases specifically required by this Schedule and Article 17 of the Plan.

All other provisions of the existing Default Schedule under the Rehabilitation Plan in Article 17 of the Plan remain in effect under the Default Schedule under the Funding Improvement Plan.

- The disability benefit is eliminated for any accruals earned under the Default Schedule.
- The 60-month guarantee period is eliminated for any accruals earned under the Default Schedule.
- The Pre-Retirement 120-month guarantee period for the Death Benefit is eliminated for any accruals earned under the Default Schedule.
- The only forms of benefit payment available to a retiring participant commencing receipt of benefits earned/accrued under the Default Schedule shall be a single life annuity with no guarantee period, the 50% Joint-and-Survivor Pension, and the 75% Joint-and-Survivor Pension. The reduction factors for the Joint-and-Survivor payment forms are adjusted so as to be actuarially equivalent to a single life annuity with no guarantee period.

ALTERNATIVE SCHEDULE 1(a)

Contributions

Employer contribution rate levels shall increase by \$0.73 per hour under this Alternative Schedule 1(a) for July 1, 2014 hours worked and hours worked thereafter.

All additional contributions pursuant to this Schedule shall be disregarded for purposes of determining participants' accrued benefits. Accrued benefits are in no fashion based upon the amount of increased employer contributions under the foregoing Schedule. These contributions shall be utilized solely to improve the funding condition of the Plan and shall result in no benefit accruals whatsoever.

If an existing agreement calls for different rates for apprentices or other classifications than the journeyman rates specified above, proportional off-benefit contribution increases will be required.

Benefit Reductions

Benefit accruals under a Collective Bargaining Agreement after this Schedule is implemented shall be determined disregarding any contribution increases specifically required under this Schedule and Article 17 of the Plan. Except for the foregoing, no other benefit accrual changes or reductions are provided for under this Schedule.

ALTERNATIVE SCHEDULE 1(b)

Contributions

Employer contribution rate levels shall increase by \$0.28 per hour under this Alternative Schedule 1(b) for July 1, 2014 hours worked and hours worked thereafter, an additional \$0.28 per hour under this Alternative Schedule 1(b) for July 1, 2015 hours worked and hours worked thereafter and an additional \$0.28 per hour under this Alternative Schedule 1(b) for July 1, 2016 hours worked and hours worked thereafter.

All additional contributions pursuant to this Schedule shall be disregarded for purposes of determining participants' accrued benefits. Accrued benefits are in no fashion based upon the amount of increased employer contributions under the foregoing Schedule. These contributions shall be utilized solely to improve the funding condition of the Plan and shall result in no benefit accruals whatsoever.

If an existing agreement calls for different rates for apprentices or other classifications than the journeyman rates specified above, proportional off-benefit contribution increases will be required.

Benefit Reductions

Benefit accruals under a Collective Bargaining Agreement after this Schedule is implemented shall be determined disregarding any contribution increases specifically required under this Schedule and Article 17 of the Plan. Except for the foregoing, no other benefit accrual changes or reductions are provided for under this Schedule.

ALTERNATIVE SCHEDULE 1(c)

Contributions

Employer contribution rate levels shall increase by \$0.84 per hour under this Alternative Schedule 1(c) for July 1, 2015 hours worked and hours worked thereafter.

All additional contributions pursuant to this Schedule shall be disregarded for purposes of determining participants' accrued benefits. Accrued benefits are in no fashion based upon the amount of increased employer contributions under the foregoing Schedule. These contributions shall be utilized solely to improve the funding condition of the Plan and shall result in no benefit accruals whatsoever.

If an existing agreement calls for different rates for apprentices or other classifications than the journeyman rates specified above, proportional off-benefit contribution increases will be required.

Benefit Changes

Benefit accruals under a Collective Bargaining Agreement after this Schedule is implemented shall be determined disregarding any contribution increases specifically required under this Schedule and Article 17 of the Plan. Except for the foregoing, no other benefit accrual changes or reductions are provided for under this Schedule.

ALTERNATIVE SCHEDULE 1(d)

Contributions

Employer contribution rate levels shall increase by \$0.33 per hour under this Alternative Schedule 1(d) for July 1, 2015 hours worked and hours worked thereafter, an additional \$0.33 per hour under this Alternative Schedule 1(d) for July 1, 2016 hours worked and hours worked thereafter and an additional \$0.33 per hour under this Alternative Schedule 1(d) for July 1, 2017 hours worked and hours worked thereafter.

All additional contributions pursuant to this Schedule shall be disregarded for purposes of determining participants' accrued benefits. Accrued benefits are in no fashion based upon the amount of increased employer contributions under the foregoing Schedule. These contributions shall be utilized solely to improve the funding condition of the Plan and shall result in no benefit accruals whatsoever.

If an existing agreement calls for different rates for apprentices or other classifications than the journeyman rates specified above, proportional off-benefit contribution increases will be required.

Benefit Reductions

Benefit accruals under a Collective Bargaining Agreement after this Schedule is implemented shall be determined disregarding any contribution increases specifically required under this Schedule and Article 17 of the Plan. Except for the foregoing, no other benefit accrual changes or reductions are provided for under this Schedule.

2. Article 1 - A new section 1.43 is added as follows:

Section 1.43 - All provisions of this Article are subject to the limitations and restrictions of Article 18 which govern benefits first commencing on and after implementation of a Schedule under the Funding Improvement Plan.

3. Article 2 - A new section 2.3 is added as follows:

Section 2.3 - All provisions of this Article are subject to the limitations and restrictions of Article 18 which govern benefits first commencing on and after implementation of a Schedule under the Funding Improvement Plan.

4. Article 3 - A new section 3.6 is added as follows:

Section 3.6 - All provisions of this Article are subject to the limitations and restrictions of Article 18 which govern benefits first commencing on and after implementation of a Schedule under the Funding Improvement Plan.

5. Article 4 - A new section 4.12 is added as follows:

Section 4.12 - All provisions of this Article are subject to the limitations and restrictions of Article 18 which govern benefits first commencing on and after implementation of a Schedule under the Funding Improvement Plan.

6. Article 5 - A new section 5.7 is added as follows:

Section 5.7 - All provisions of this Article are subject to the limitations and restrictions of Article 18 which govern benefits first commencing on and after implementation of a Schedule under the Funding Improvement Plan.

7. Article 6 - A new section 6.5 is added as follows:

Section 6.5 - All provisions of this Article are subject to the limitations and restrictions of Article 18 which govern benefits first commencing on and after implementation of a Schedule under the Funding Improvement Plan.

8. Article 7 - A new section 7.15 is added as follows:

Section 7.15 - All provisions of this Article are subject to the limitations and restrictions of Article 18 which govern benefits first commencing on and after implementation of a Schedule under the Funding Improvement Plan.

9. Article 8 - A new section 8.12 is added as follows:

Section 8.12 - All provisions of this Article are subject to the limitations and restrictions of Article 18 which govern benefits first commencing on and after implementation of a Schedule under the Funding Improvement Plan.

10. Article 9 - A new section 9.14 is added as follows:

Section 9.14 - All provisions of this Article are subject to the limitations and restrictions of Article 18 which govern benefits first commencing on and after implementation of a Schedule under the Funding Improvement Plan.

11. Article 10 - A new section 10.8 is added as follows:

Section 10.8 - All provisions of this Article are subject to the limitations and restrictions of Article 18 which govern benefits first commencing on and after implementation of a Schedule under the Funding Improvement Plan.

12. Article 11 - A new section 11.3 is added as follows:

Section 11.3 - All provisions of this Article are subject to the limitations and restrictions of Article 18 which govern benefits first commencing on and after implementation of a Schedule under the Funding Improvement Plan.

13. Article 12 - A new section 12.8 is added as follows:

Section 12.8 - All provisions of this Article are subject to the limitations and restrictions of Article 18 which govern benefits first commencing on and after implementation of a Schedule under the Funding Improvement Plan.

14. Article 13 - A new section 13.6 is added as follows:

Section 13.6 - All provisions of this Article are subject to the limitations and restrictions of Article 18 which govern benefits first commencing on and after implementation of a Schedule under the Funding Improvement Plan.

15. Article 14 - A new section 14.11 is added as follows:

Section 14.11 - All provisions of this Article are subject to the limitations and restrictions of Article 18 which govern benefits first commencing on and after implementation of a Schedule under the Funding Improvement Plan.

16. Article 15 - A new section 15.7 is added as follows:

Section 15.7 - All provisions of this Article are subject to the limitations and restrictions of Article 18 which govern benefits first commencing on and after implementation of a Schedule under the Funding Improvement Plan.

17. Article 16 - A new section 16.07 is added as follows:

Section 16.07 - All provisions of this Article are subject to the limitations and restrictions of Article 18 which govern benefits first commencing on and after implementation of a Schedule under the Funding Improvement Plan.

18. Article 17. New language is added to the end of Article 17 as follows:

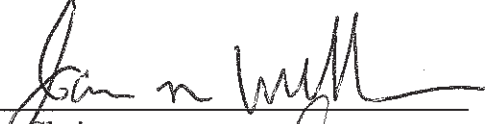
All provisions of this Article are subject to the limitations and restrictions of Article 18 which govern benefits first commencing on and after implementation of a Schedule under the Funding Improvement Plan.


19. Existing Article 18 shall be re-designated as Article 19.

20. All other terms and conditions of the Plan shall remain in full force and effect.

This Amendment is effective upon adoption. Executed this 21 day of May, 2013 at Commerce, California.

Board of Trustees
Southern California IBEW-NECA
Pension Trust Fund

By: 
Chairman

By: 
Secretary