

Southern California IBEW-NECA Trust Funds

Toll-free phone 800-824-6935 • Website www.scibew-neca.org

Notice to Travelers Regarding Defined Benefit Plan Contributions

February 2013

This notice is for your information only. You are not required to take any action.

The Pension Protection Act of 2006, as amended by the Worker, Retiree and Employer Recovery Act of 2008 (WRERA), required the Trustees of a multiemployer pension plan, that has been certified by the plan's actuary as being in "critical" status, to develop a Rehabilitation Plan. On September 28, 2009, the Southern California IBEW-NECA Trust Funds' actuaries certified the Defined

Benefit (DB) Plan as being in critical status. On October 20, 2009, the Board of Trustees adopted a Rehabilitation Plan consisting of a Default Schedule, Alternative Schedule 1 and Alternative Schedule 2.

The contributing employers and the membership of the IBEW Local Unions participating in the Southern California IBEW-NECA Pension Plan (Local Unions 11, 440, 441 and 477) entered into Alternative Schedule 2 of the Rehabilitation Plan. This Schedule calls for employers to contribute an additional \$1.30 "off-benefit" meaning that it is devoted solely to improving the funding condition of the Plan.

The \$1.30 of off-benefit employer contributions will not be used for benefit accruals for Participants in this Plan nor will they be transferred to a Traveler's Home DB Plan. The hourly contributions made to the Southern California IBEW-NECA DB Plan that do result in a benefit accrual are transferred to the Traveler's Home DB Plan presuming the Traveler has properly registered for a transfer of contributions under the International IBEW-NECA Reciprocity Program.

Examples

1. John's Home DB Plan on the Electronic Reciprocal Transfer System (ERTS) is Local ###; he worked 40 hours in Local 11 during the month of December 2012. The DB Pension rate for Local 11 is \$6.32 per reported hour, plus the off-benefit rate of \$1.30 per reported hour. Only the DB Pension rate of \$6.32 is transferred to John's Home DB Plan.
2. Jack's Home DB Plan on ERTS is Local 11; he works 40 hours in Local ### during the month of December 2012. Local ###'s DB Pension rate is \$5.00 and there is no \$1.30 off-benefit contribution. The full hours and contributions are transferred to Local 11 and are reciprocated under the Default Schedule, which uses a 1% DB accrual rate.

If you have questions regarding this notice, please contact the Administrative Trust Funds Office of the Southern California IBEW-NECA Trust Funds at 800-824-6935.

Sincerely,
The Board of Trustees

A Traveler is an IBEW Local Union member who is working outside his Home Local and has registered for a transfer of contributions under the International IBEW-NECA Reciprocity Program ("ERTS").

It is important to note that all contributions to the Southern California IBEW-NECA Defined Contribution Plan result in benefit accruals for Participants and hourly contributions to the Southern California IBEW-NECA Defined Contribution Plan for hours worked by a Traveler are transferred to a Traveler's Home Defined Contribution Plan presuming the Traveler has timely and properly registered for a transfer of contributions under the International Reciprocity Program.