



## 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

**DATE:** October 28, 2009

**RE: Notice of the Adoption of Rehabilitation Plan under the Pension Protection Act of 2006 and WRERA Election for the Southern California IBEW-NECA Pension Plan**

This is to inform you that on October 20, 2009 the Board of Trustees adopted a Rehabilitation Plan. A copy of the Rehabilitation Plan adopted by the Trustees and an explanation of the changes under each Schedule is enclosed. The Board of Trustees of the Plan, on October 15, 2009, elected to extend the 10-year Rehabilitation Plan Period under IRC Section 432(c)(4) (A) to 13 years pursuant to Section 205 of the Worker, Retiree, and Employer Recovery Act of 2008(WRERA). Federal law requires that you receive this notice.

#### **Rehabilitation Plan and Possibility of Reduction in Benefits**

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. The Trustees of the plan have determined that certain benefit reductions are necessary, which are reflected in the Rehabilitation Plan.

#### **Employer Surcharge**

Employers must pay a Contribution Surcharge, beginning with the contributions due 30 days after the date of this Notice-- 5% of contributions required to be paid on or after November 28, 2009 or actually paid after that date even if the obligation to the Fund arose earlier, through June 30, 2010; 10% of contributions required to be paid or actually paid on and after July 1, 2010. The surcharge remains in effect until the Employer and Union agree on a Rehabilitation Plan Schedule.

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

For more information about this Notice, you may contact the Trust Fund's Administrative Office in writing at:

Southern California IBEW-NECA Pension Plan  
P.O. Box 910918  
Los Angeles, California 90091

You have a right to receive a copy of the rehabilitation plan from the plan and a copy is enclosed.

Board of Trustees