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: October 28, 2009

RE: Notice of Actuary’s Certification of Critical Status of the Plan Under the Pension Protection Act of 2006 and Benefit Changes Under the Critical Status Rehabilitation 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 BENEFITS FIRST COMMENCED PRIOR TO OCTOBER 28, 2009.

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.

### JULY 1, 2008 THROUGH JUNE 30, 2009
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.”

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

As you know, over the past year the stock markets have 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 is now 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).

With the actuary’s certification, the Pension Protection Act requires that this notice be sent to all affected parties informing them of the Plan’s Red Zone Status for the 2009 Plan Year. The Trustees of the Plan must also adopt a Rehabilitation Plan designed to enable the Plan to reach Pension Protection Act’s statutory funding requirements over time.

Under the Pension Protection Act, a Rehabilitation Plan is allowed to provide for plan amendments that, in addition to reducing the rate of future accruals and other items, eliminate or change “adjustable benefits,” including the following:

1. Benefits, rights and features under the Plan, including the five-year guarantee that is currently part of the life annuity payment form, Social Security Level Income Option and Disability Pension;

2. Any early retirement benefit or retirement-type subsidy (Reduced and Unreduced), any benefit payment option (other than 50% and 75% Joint-and-Survivor Pensions), any actuarial subsidy in the calculation of the Joint-and-Survivor Pensions; and
3. Benefit increases that were adopted (or, if later, took effect) less than 60 months before the first day of the July 1, 2009 Plan Year.

None of these reductions will apply to Participants and Beneficiaries whose benefit commencement date is before July 1, 2010 except under the Default Plan. For other participants, the level of accrued benefits for pensions first payable at Normal Retirement Age cannot and will not be reduced as part of a Rehabilitation Plan.

At its October 20, 2009 meeting the Board of Trustees adopted the enclosed Rehabilitation Plan and Schedules which are described below. Each Schedule provides different contribution requirements and different benefit changes. Each Collective Bargaining Agreement in effect on October 28, 2009 must, upon expiration or earlier, be modified to adopt one of the Schedules. Under all of the Schedules benefits accrued prior to the bargaining parties agreement to that Schedule and first payable upon attainment of Normal Retirement Age cannot be and are not reduced. Except under the Default Schedule reductions under the Schedules do not apply to the initial benefit of Participants and Beneficiaries who commence receipt of benefits prior to July 1, 2010. Under the Default Schedule the benefits of Participants and Beneficiaries commencing on or after October 28, 2009 are subject to various reductions 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.

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. However, there are two exceptions;

- **Limitations on Benefit Payment Forms.** For participants whose benefit effective date is on or after October 28, 2009 until the date the Plan leaves the Red Zone, the Plan cannot pay benefits under the Social Security Level Income Option payment form.

- **Employer Contribution Surcharges.** 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 surcharges remain in effect until the Employer and Union agree on a Rehabilitation Plan Schedule.

**REHABILITATION PLAN SCHEDULES**

The Rehabilitation Plan (copy enclosed) contains three Schedules – each proposing different levels of Employer Contribution rates, with a specific set of benefit reductions that the Trustees will adopt to correspond to each Contribution rate. Upon the expiration date of their Collective Bargaining Agreements in effect October 28, 2009, Local Unions and Contributing Employers will be required to negotiate new Collective Bargaining Agreements whose terms conform to one of the two Alternative Schedules or the Default Schedule. If a bargaining group does not reach agreement on a Contribution rate that conforms to one of the 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.

The benefit changes portion of this notice describes:

- The Employer Contribution requirements under each Schedule.
- How the applicable Schedule is determined for each Participant and when the benefit changes apply.
- The benefit changes under each Schedule.
EMPLOYER CONTRIBUTION REQUIREMENTS

The increased Employer Contribution rates tied to each Schedule are shown below.

- All additional contributions pursuant to the Schedules over the amounts required under collective bargaining agreements in effect as of October 28, 2009 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.

The current Journeyman hourly rates for each of the 4 locals contributing to this Plan are shown in the chart below along with the required rates under each of the alternative schedules. Other hourly rates are set forth in applicable Collective Bargaining Agreements and are available on request from the Administrative Office. The effective date of these new rates applies to hours worked on and after July 1, 2010.

<table>
<thead>
<tr>
<th>Local Union</th>
<th>Current Rate</th>
<th>Contribution Schedules for Hours Worked On and After July 1, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Default</td>
<td>1</td>
</tr>
<tr>
<td>11</td>
<td>$6.32</td>
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</tr>
<tr>
<td>440</td>
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<td>477</td>
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<td>4.85</td>
</tr>
<tr>
<td>441</td>
<td>4.00</td>
<td>4.00</td>
</tr>
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</table>

WHEN REHABILITATION PLAN CHANGES APPLY

The current monthly benefits of Pensioners and Beneficiaries whose Annuity Starting Dates are prior to July 1, 2010 are not subject to reduction under this Rehabilitation Plan except for the Default Plan. Benefits for other Participants are determined as follows:

- Except as provided under Special Rules for Application of Benefit Reductions, all Participants who will terminate Covered Employment after June 30, 2010 shall have their benefits determined based on the benefit changes described under the Rehabilitation plan upon implementation of the Rehabilitation Plan. Except as provided below under Special Rules for Application of Benefit Reductions, upon implementation of the Rehabilitation Plan the benefit of a Participant who commences benefits prior to age 55 after June 30, 2010 shall have benefits reduced to the actuarial equivalent of a benefit payable at Normal Retirement Age.

- 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 first 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 no later than 180 days after July 1, 2010.

{Document #00015192.1 - ESC-360}
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 and all employer surcharge Contributions 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**

Those Participants who have not commenced receipt of benefits prior to July 1, 2010 shall have their benefits calculated under the applicable Schedule set forth in the Rehabilitation Plan upon implementation unless:

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.

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.

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 that was in effect on October 28, 2009 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.

The following examples show the effect of the imposed Default Schedule on a Participant whose benefits first commences on or after October 28, 2009.
• A Participant’s benefit first commences on November 1, 2009. He retired at age 50 and met the requirements to receive 100% of his accrued benefit of $1,000 per month. Upon imposition of the Default Schedule his monthly benefit would be reduced to $216 per month.

• A Participant’s benefit first commences on November 1, 2009. He retired on a total and permanent Disability Pension of $1,000 per month. Upon imposition of the Default Schedule, his Disability Pension will cease. If he was age 45 when his benefits first commenced and met the requirements for an Early Retirement Pension, his $1,000 pension would be reduced to $139 per month.

• An unmarried Participant died and his beneficiary first began receiving a benefit on November 1, 2009 under the 120 months guarantee Pre-Retirement Death Benefit. Upon the imposition of the Default Schedule, all future monthly payments will cease.


BENEFIT ACCRUAL FORMULA

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. In addition, under all Schedules except Alternative Schedule 1 each Schedule will reduce or eliminate certain “adjustable benefits”; however, the level of your benefit payable at your Normal Retirement Age is not reduced.

Current Plan

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.

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 $4.00 per hour on his behalf:

The Participant has a total of $6,800.00 contributed on his behalf (1,700 hours x $4.00/hour). For this Plan Credit Year, the Participant accrues a monthly benefit of $98.60 (1.45% of $6,800.00).

Schedule Changes

Changes made to the benefit accrual formulas under only the Default Schedule involve changing the percentage-crediting (or benefit accrual) factor to 1.00%. In addition, although Employer Contribution rates will increase in different amounts based on the Schedule adopted, the
increased amount of Contributions will be used to improve the funding of the Plan and will not be part of your benefit calculation (referred to as “off-benefit Contributions”).

**Default Schedule** – The current Plan’s benefit accrual formula is replaced, with respect to hours worked after the date of implementation of this Schedule, with 1.00% of contributions made on the participant’s behalf. “Contributions” for this purpose excludes any contribution increases specifically required by this Schedule.

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.

The Participant has a total of $6,800 contributed on his behalf (1,700 hours x $4.00/hour). For this Plan Credit Year, the Participant accrues a monthly benefit of $68.00 (1.0% of $6,800.00). Working the same hours, it would take about 1.5 years under the Default Schedule to earn the same benefit under the current plan.
EARLY RETIREMENT PENSION

Current Plan

An eligible participant who waits until his Early Retirement Age (age 55 in most cases) to apply for an Early Retirement Pension will receive his accrued monthly benefit with no reduction for his age. However a Participant who is younger than his Early Retirement Age, but who meets the requirements for an Early Retirement Pension if the requirement of 42,500 hours and 23 Plan Years is met may retire at any age without any restrictions.

The Early Retirement Pension is “subsidized” in that it does not reflect the true cost to the Plan for allowing a Participant to begin receiving pension payments early. In essence, the Plan absorbs part of the cost of providing the Early Retirement Pension.

Schedule Changes

Under all Schedules, except Alternative Schedule 1, the Early Retirement reduction formula is changed to reduce or eliminate the cost of the subsidy by the Plan.

*Alternative Schedule 1* – no changes from current plan provisions

*Alternative Schedule 2* – The Plan’s current early retirement formula for participants retiring prior to age 55 is replaced with an actuarial reduction from the Normal Retirement Age (age 65).

*Default Schedule* – The Plan’s current Early Retirement Pension formula for retirements prior to age 55 is replaced with a series of actuarially equivalent factors so that the Early Retirement Pension amount is unsubsidized, meaning that an Early Retirement Pensioner receives benefits with the same total economic value as his Normal Pension, regardless of when he retires. The full cost of starting benefit payments prior to age 55 is absorbed by the Pensioner whose benefits are reduced and there is no additional cost to the Plan for providing this type of Pension.

PARTIAL LISTING OF NEW EARLY RETIREMENT ADJUSTMENT FACTORS

The early retirement reduction for retirements prior to age 55 is based on the number of the months that the Participant is younger than his Normal Retirement Age (in most cases, age 65). For illustrative purposes the chart below shows the percentage of the Early Retirement Pension to be received based on whole years for a Participant whose Normal Retirement Age is age 65.
The following table provides examples of how the different Early Retirement Pension adjustment formulas would apply to an accrued benefit of $1,000.00 per month. We have assumed that the Participant’s Normal Retirement Age is 65.

<table>
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<tr>
<th>Participant’s Age</th>
<th>Alternative Schedule 2</th>
<th>Default Schedule</th>
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<tr>
<td>53</td>
<td>$290.00</td>
<td>$286.00</td>
</tr>
<tr>
<td>52</td>
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<td>$260.00</td>
</tr>
<tr>
<td>51</td>
<td>$241.00</td>
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<td>$165.00</td>
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<td>$99.00</td>
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<tr>
<td>40</td>
<td>$92.00</td>
<td>$91.00</td>
</tr>
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</table>
EARLY RETIREMENT AT AGE 55

Current Plan

A Participant who is eligible for an Early Retirement Pension at age 55 receives his accrued benefit without any reduction for early retirement – even though he is retiring prior to attaining his Normal Retirement Age (age 65). Since there is no reduction for age, the Plan is fully “subsidizing” the cost of providing the Early Retirement Pension without passing any of it on to the Participant. No schedule changes to this benefit.

DISABILITY PENSION

Current Plan

A Participant who is totally and permanently disabled and in receipt of a Social Security Disability Pension is eligible for a Disability Pension equal to 100% of his accrued benefit. A participant who is not totally and permanently disabled but who has a physical or mental condition resulting from bodily injury, disease or mental disorder which renders him incapable of performing the duties required of a Journeymen under the Inside Wireman’s Agreement at any time during the remainder of his life shall be entitled to receive a Partial Disability Pension. The amount of the pension will be equal to his accrued benefit reduced by 0.4% for each month he is younger than the earlier of age 55 or completion of 25 years of credited service.

Schedule Changes

The Schedules differ in that Alternative Schedules 1 and 2 will retain both Disability Pensions without any changes from the current plan. The Default Schedule upon implementation will entirely eliminate both Disability Pensions for disability benefits first commencing on and after October 28, 2009.

PRE-RETIREMENT DEATH BENEFIT

Current Plan

If an Active Vested Participant dies prior to retiring and after satisfying the other requirements for a Pre-Retirement Death Benefit, his surviving Beneficiary is entitled to 120 monthly payments of his accrued benefit (i.e., his benefit without any reduction for early retirement). If an Inactive Vested Participant dies prior to retiring and after satisfying the other requirements for a Pre-Retirement Death Benefit, his surviving Beneficiary is entitled to 120 monthly payments of his accrued benefits actuarially reduced. The benefit is effective the first of the month following the Participant’s death. If the Participant is survived by an eligible Spouse, she is the Beneficiary and the Pre-Retirement Death Benefit is only payable to her if she waives the Plan’s Surviving Spouse Pension.
**Schedule Changes**

The Pre-Retirement Death Benefit is eliminated under the Default Schedule upon implementation for benefits first commencing on and after October 28, 2009.

**JOINT-AND-SURVIVOR PENSIONS**

**Current Plan**

The automatic payment form for retiring married Participants is the 50% Joint-and-Survivor Pension under which the Participant’s eligible surviving Spouse (if any) receives 50% of the Participant’s monthly benefit after his death for the rest of her life. A married Participant may elect other payment forms, including a 75%, 66 2/3% or 100% Joint-and-Survivor Pension which provide the surviving Spouse with a lifetime continuation of payments based on 75%, 66 2/3% or 100% of the Participant’s monthly benefit.

Under each of the Joint-and-Survivor Pension payment forms, the Participant’s monthly benefit is reduced based on the difference in ages between the Participant and eligible Spouse because the Plan has the potential of paying out benefits over two lifetimes. This reduction makes each of these joint-life payment forms actuarially equivalent to the single life annuity with 60 guaranteed payments.

Each of the Joint-and-Survivor Pension has an optional “reversionary” or “pop-up” feature under which the amount of the Participant’s reduced Joint-and-Survivor Pension “pops-up” in the event that the Participant is predeceased by this Spouse. Beginning with the month following the Spouse’s death, the Participant’s monthly benefit pops-up to the amount that would have been payable as if he had elected the life annuity payment form. If a Participant elects this payment form at retirement, the amount of his Joint-and-Survivor Pension is further reduced while he is alive.

**Schedule Changes**

Under the Default Schedule, only the 50% and 75% Joint-and-Survivor Pension payment forms will be retained but with more of a reduction from the current Plan as shown below. Under all the other Alternative Schedules, they will be retained without any changes from the current Plan. Except under the Default Schedule, the “reversionary” or “pop-up” feature described above remains available to retiring Participants and will result in the same reduction that applies under the current plan.

For illustrative purposes, the chart below shows the Joint-and-Survivor Pension factors for Participants at selected ages with Spouses who are the same age upon implementation for benefits first commencing on and after October 28, 2009.
## JOINT-AND-SURVIVOR PENSION FACTORS AT SELECTED AGES

<table>
<thead>
<tr>
<th>Form of Joint-and-Survivor Pension</th>
<th>Current Plan</th>
<th>Alternative Schedules 1 &amp; 2</th>
<th>Default Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>50% Joint-and-Survivor Pension</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Both age 63</td>
<td>90.6%</td>
<td>90.6%</td>
<td>88.7%</td>
</tr>
<tr>
<td>• Both age 60</td>
<td>90.8%</td>
<td>90.8%</td>
<td>89.5%</td>
</tr>
<tr>
<td>• Both age 55</td>
<td>91.5%</td>
<td>91.5%</td>
<td>90.7%</td>
</tr>
<tr>
<td>66 2/3% Joint-and-Survivor Pension</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Both age 63</td>
<td>87.3%</td>
<td>87.3%</td>
<td>Not Available</td>
</tr>
<tr>
<td>• Both age 60</td>
<td>87.7%</td>
<td>87.7%</td>
<td></td>
</tr>
<tr>
<td>• Both age 55</td>
<td>88.7%</td>
<td>88.7%</td>
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<tr>
<td>75% Joint-and-Survivor Pension</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>• Both age 63</td>
<td>85.7%</td>
<td>85.7%</td>
<td>84.0%</td>
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<td>• Both age 60</td>
<td>86.3%</td>
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<td>• Both age 55</td>
<td>87.4%</td>
<td>87.4%</td>
<td>86.7%</td>
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<tr>
<td>100% Joint-and-Survivor Pension</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>• Both age 63</td>
<td>81.4%</td>
<td>81.4%</td>
<td>Not Available</td>
</tr>
<tr>
<td>• Both age 60</td>
<td>82.2%</td>
<td>82.2%</td>
<td></td>
</tr>
<tr>
<td>• Both age 55</td>
<td>83.7%</td>
<td>83.7%</td>
<td></td>
</tr>
</tbody>
</table>
The following table provides examples of how the four Joint-and-Survivor Pensions are treated under the current plan and each of the Schedules. In each example, we have assumed that the Participant has a $1,000.00 monthly benefit prior to any adjustment for the Joint-and-Survivor Pension and that he and his Spouse are the same age.

**EXAMPLES OF JOINT-AND-SURVIVOR PENSION AT SELECTED AGES**

<table>
<thead>
<tr>
<th>Form of Joint-and-Survivor Pension</th>
<th>Current Plan</th>
<th>Alternative Schedules 1 &amp; 2</th>
<th>Default Schedule</th>
</tr>
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<tbody>
<tr>
<td>50% Joint-and-Survivor Pension</td>
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<td></td>
</tr>
<tr>
<td>• Both age 63</td>
<td>$906.00</td>
<td>$906.00</td>
<td>$887.00</td>
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<tr>
<td>• Both age 60</td>
<td>$908.00</td>
<td>$908.00</td>
<td>$895.00</td>
</tr>
<tr>
<td>• Both age 55</td>
<td>$915.00</td>
<td>$915.00</td>
<td>$907.00</td>
</tr>
<tr>
<td>66 2/3% Joint-and-Survivor Pension</td>
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<td></td>
</tr>
<tr>
<td>• Both age 63</td>
<td>$873.00</td>
<td>$873.00</td>
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<tr>
<td>• Both age 60</td>
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<tr>
<td>• Both age 55</td>
<td>$887.00</td>
<td>$887.00</td>
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<tr>
<td>75% Joint-and-Survivor Pension</td>
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FIVE-YEAR GUARANTEE OR CERTAIN FEATURE

Current Plan

For unmarried Participants, unless another payment form is elected, pensions are payable for the life of the Participant with a minimum five-year guarantee of payments. In other words, if the Participant who is retired on a single-life pension dies prior to receiving at least 60 months of payments, the remaining payments are made to his Beneficiary. If the Participant dies after receiving at least 60 monthly payments, no further benefits are payable upon his death. This payment form is provided without any reduction applied to the Participant’s monthly benefit. The Participant may elect a minimum ten-year guarantee but at a reduced amount.

Schedule Changes

While both the Five-Year and Ten-Year Guarantee or Certain features are unchanged under Alternative Schedules 1 and 2, they are eliminated under the Default Schedule upon implementation for benefits first commencing on and after October 28, 2009.

SOCIAL SECURITY LEVEL INCOME OPTION

Current Plan

A Participant who retires prior to age 62 or 65 may elect to have his pension paid under the Plan’s Social Security Level Income Option. Under this payment form, each monthly benefit prior to age 62 or 65 (whichever he elects) is increased and payments received after age 62 or 65 when he originally planned to have his Social Security benefits begin are reduced. The idea is to create a more “level” stream of combined payments from the Plan and Social Security than would otherwise be payable.

Plan Changes Required for Critical Status Plans

Plans that are in the Red Zone are not able to offer lump sums above $5,000 or front-loaded benefit payment forms. This includes Social Security Level Income Option payment forms. This limitation goes into effect automatically, for people whose pensions take effect on and after the date of this Notice. Therefore, regardless of the Schedule, this payment form will not be available to retiring Participants as long as the Plan is in the Red Zone.
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:

Mr. George Wallace
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 critical status Rehabilitation 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 LABOR (DOL).
## REHABILITATION PLAN SCHEDULES AT A GLANCE

<table>
<thead>
<tr>
<th>Plan Feature</th>
<th>Current Plan</th>
<th>Alternative Schedule 1</th>
<th>Alternative Schedule 2</th>
<th>Default Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of Contributions Benefit</td>
<td>1.45% of Contributions up to 42,500 hours and 1.90% thereafter</td>
<td>Same as current plan except excluding $2.00 per hour in “off-benefit contributions” and any other additional off-benefit contributions</td>
<td>Same as current plan except excluding $1.30 per hour in current “off-benefit contributions” and any additional “off-benefit contributions”</td>
<td>1.00% of all Contributions but excluding any additional “off-benefit contributions” under the schedule</td>
</tr>
<tr>
<td>Accrual Formula – excludes contributions dedicated solely for funding purposes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Early Retirement Pension prior to age 55</td>
<td>Accrued benefit (no reduction for age).</td>
<td>Same as current plan</td>
<td>Actuarially reduced from age 65</td>
<td>Actuarially reduced from age 65</td>
</tr>
<tr>
<td>Early Retirement</td>
<td>Age 55 minimum age, no reduction</td>
<td>Same as current plan</td>
<td>Same as current plan</td>
<td>Same as current plan</td>
</tr>
<tr>
<td>Disability Pension</td>
<td>Accrued benefit (no reduction for age)</td>
<td>Same as current plan</td>
<td>Same as current plan</td>
<td>Not available</td>
</tr>
<tr>
<td>60-Payment Pre-Retirement Death Benefit</td>
<td>60 payments of Participant’s accrued benefit (no reduction for age).</td>
<td>Same as current plan</td>
<td>Same as current plan</td>
<td>Not available</td>
</tr>
<tr>
<td>Single Life Annuity with Five-Year Guarantee or Certain Feature</td>
<td>Pension benefits payable for Participant’s lifetime with a maximum guarantee of sixty-months of payments</td>
<td>Same as current plan</td>
<td>Same as current plan</td>
<td>Lifetime only with no sixty-month guarantee of payments</td>
</tr>
<tr>
<td>Social Security Level Income Option</td>
<td>Higher monthly payments prior to age 62/65 with lower benefit after age 62/65 with Social Security benefit expected to commence</td>
<td>Not available</td>
<td>Not available</td>
<td>Not available</td>
</tr>
<tr>
<td>100% and 66 2/3% Joint-and-Survivor Pension</td>
<td>Eligible surviving spouse receives lifetime 100% continuation of Participant’s monthly benefit</td>
<td>Same as current plan</td>
<td>Same as current plan</td>
<td>Not available</td>
</tr>
<tr>
<td>50% and 75% Husband-and-Wife Pension</td>
<td>Eligible surviving spouse receives lifetime 50% or 75% continuation of Participant’s monthly benefit</td>
<td>Same as current plan</td>
<td>Same as current plan</td>
<td>Current factor is further reduced to account for removal of 60 guaranteed payments</td>
</tr>
</tbody>
</table>