SOUTHERN CALIFORNIA IBEW - NECA TRUST FUNDS
6023 Garfield Avenue, City of Commerce,CA 90040
Phone: (323) 221-5861 or (800) 824-6935
Fax: (323) 726-3520
Mailing Address:
P.O. Box 910918
Los Angeles, CA 90091

Website: www.scibew-neca.org
Website: www.scibew-neca.org

MEMORANDUM

TO: All Plan Participants
Beneficiaries Receiving Benefit Payments
QDRO Alternate Payees
Employers Obligated to Contribute
Local Unions Representing Plan Participants

FROM: Board of Trustees
Southern California IBEW-NECA Pension Trust Fund

DATE: October 19, 2017

RE: **Information About Your Pension Plan** (with regards to enclosed notices)

IMPORTANT: Federal law requires you be sent the enclosed Annual Funding Notice and the enclosed Notice of Actuarial Certification of ongoing Critical Status. If you are a retired Participant (Pensioner), beneficiary or QDRO Alternate Payee receiving monthly pension payments, the Fund is required to send you these Notices but they in no fashion change the amounts of monthly benefits to be paid to you. As more fully described below, the Trustees previously adopted a Rehabilitation Plan. Nothing in the enclosed Notices changes any of the benefit accrual provisions of the Rehabilitation Plan or the contribution requirements under the Rehabilitation Plan. The balance of this memorandum describes the various documents you have received previously and how you can obtain additional copies of these documents should you so desire.

Under date of October 26, 2012, you received notice of the Plan's endangered status and a detailed description of those consequences. Under date of May 21, 2013, you received a detailed memorandum describing the Funding Improvement Plan adopted by the Board of Trustees. Under date of July 17, 2013, you received a memorandum describing an amendment to the Funding Improvement Plan. That amendment added an additional Alternative Schedule. Under date of December 2013, you received a memorandum describing an amendment to the Funding Improvement Plan. That amendment added an additional Alternative Schedule. Under date of September 28, 2016, you received notice of the Board of Trustees' election for the Plan to be in critical status and a memorandum with a detailed description of those consequences. Under date of October 27, 2016 you received a memorandum describing an amendment to the Rehabilitation Plan.

If you would like additional copies of any of these prior notices, please contact the Administrative Trust Funds Office. The documents are also available on the Trust Funds' website at www.scibew-neca.org.

NOTIFICATION OF CRITICAL STATUS

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 19, 2017

RE: Notice of the Actuary's Certification of Critical Status of the Plan under the Pension Protection Act of 2006 for the Southern California IBEW-NECA Pension Plan

This is to inform you that the Southern California IBEW-NECA Pension Plan ("Plan") was certified by its Actuary on September 28, 2017 to be in critical status for the Plan Year beginning July 1, 2017, pursuant to IRC Section 432(b)(3). Federal law requires that you receive this notice.

> **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.**

Critical Status

The Plan was certified to be in critical status for the plan year beginning July 1, 2017 because it was in critical status in the prior plan year and has not yet emerged from critical status. More specifically, the plan's actuary determined that the plan is projected to have an "accumulated funding deficiency" (the funding standard account credit balance will be negative) within the current or subsequent 9 years.

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. On September 28, 2016, you were notified that the plan reduced or eliminated certain adjustable benefits. If the Trustees of the plan determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits will not reduce the level of a participant's basic benefit accrued to date and payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date was on or after April 1, 2017.

Adjustable Benefits

The Plan offers the following adjustable benefits which may be (or have been) reduced or eliminated as part of any rehabilitation plan the pension plan may adopt: (i) Post-retirement death benefits; (ii) Sixty-month payment guarantees; (iii) Disability benefits (if not yet in pay status); (iv) Early retirement benefit or retirement-type subsidy; and (v) Pre-Retirement death benefits.

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.

Board of Trustees

ANNUAL FUNDING NOTICE
For
Southern California IBEW-NECA Pension Trust Fund

Introduction

This notice includes important information about the funding status of your multiemployer pension plan (the "Plan"). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. All traditional pension plans (called "defined benefit pension plans") must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is required by federal law. This notice is for the plan year beginning July 1, 2016 and ending June 30, 2017 ("Plan Year").

How Well Funded Is Your Plan

The law requires the administrator of the Plan to tell you how well the Plan is funded, using a measure called the "funded percentage." The Plan divides its assets by its liabilities on the Valuation Date for the plan year to get this percentage. In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the Plan Year and each of the two preceding plan years is shown in the chart below. The chart also states the value of the Plan's assets and liabilities for the same period.

Funded Percentage			
	2016	**2015**	**2014**
Valuation Date	July 1, 2016	July 1, 2015	July 1, 2014
Funded Percentage	72.3%	75.7%	75.5%
Value of Assets	$1,129,825,931	$1,128,744,004	$1,099,637,584
Value of Liabilities	$1,562,289,894	$1,491,420,349	$1,455,054,604

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date. They also are "actuarial values." Actuarial values differ from market values in that they do not fluctuate daily based on changes in the stock or other markets. Actuarial values smooth out those fluctuations and can allow for more predictable levels of future contributions. Despite the fluctuations, market values tend to show a clearer picture of a plan's funded status at a given point in time. The asset values in the chart below are market values and are measured on the last day of the Plan Year. The chart also includes the year-end market value of the Plan's assets for each of the two preceding plan years.

	June 30, 2017	**June 30, 2016**	**June 30, 2015**
Fair Market Value of Assets	$1,074,640,918*	$1,014,447,524	$1,045,597,494

** The June 30, 2017 fair market value of assets figure is an estimate based on the Plan's financial statements as provided by the Plan's administrator. The final figure may differ from this estimate once the Plan's regular audit is issued for the Plan Year.*

Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan generally is in "endangered" status if its funded percentage is less than 80 percent. A plan is in "critical" status if the funded percentage is less than 65 percent (other factors may also apply). A plan is in "critical and declining" status if it is in critical status and is projected to become insolvent (run out of money to pay benefits) within 15 years (or within 20 years if a special rule applies). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status or critical and declining status, the trustees of the plan are required to adopt a rehabilitation plan. Funding improvement and rehabilitation plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time. The plan sponsor of a plan in critical and declining status may apply for approval to amend the plan to reduce current and future payment obligations to participants and beneficiaries.

The Plan was in "endangered" status in the Plan Years beginning July 1, 2012; July 1, 2013 and July 1, 2014. The Plan was in "seriously endangered" status for Plan Year beginning July 1, 2015. The Plan was in "seriously endangered status" for Plan Year beginning July 1, 2016 but elected to be in "critical" status. Under date of October 26, 2012, you received notice of the Plan's endangered status and a detailed description of those consequences. Under date of May 21, 2013, you received a detailed memorandum detailing the Funding Improvement Plan adopted by the Board of Trustees. Under date of July 17, 2013, you received a memorandum describing an amendment to the Funding Improvement Plan. That amendment added an additional Alternative Schedule. Under date of December 2013, you received a memorandum describing an amendment to the Funding Improvement Plan. That amendment added an additional Alternative Schedule. Under date of September 28, 2016, you received a detailed memorandum detailing the Rehabilitation Plan adopted by the Board of Trustees. Under date of October 27, 2016 you received a memorandum describing an amendment to the Rehabilitation Plan. If you desire copies of the prior notices, please contact the Administrative Trust Funds Office at the nationwide, toll-free number (800) 824-6935 or at the primary business number (323) 221-5861. The documents are also available on the Trust Funds' website at www.scibew-neca.org.

For the Plan Year beginning July 1, 2017, the Plan is in critical status. A separate notice of critical status will be provided.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the valuation date was 15,189. Of this number, 6,669 were current employees, 6,008 were retired and receiving benefits, and 2,512 were retired or no longer working for the employer and have a right to future benefits.

Funding & Investment Policies

Every pension plan must have a procedure for establishing a funding policy for plan objectives. A funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan is to maintain a balance such that plan resources will fund plan obligations. Plan resources include accumulated plan assets plus expected future contributions and investment income. Plan obligations are benefit payments to current and future retirees and beneficiaries, including benefits earned to date as well as benefits expected to be earned in the future. Plan obligations also include expected expenses paid from plan assets. In implementing this funding policy, the plan Trustees will work with professional advisors to adopt a prudent investment policy and to determine the actuarial value of plan obligations. Over time, the Trustees may adjust plan benefits in response to investment returns and other plan experience, or seek additional contributions from the bargaining units.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries, who make specific investments in accordance with the Plan's investment policy. The investment policy of the Plan is to achieve a target allocation among asset categories of 29% equity, 12% GTAA, 13% fixed income, 31% private capital, 10% real estate and 5% hedge funds.

Under the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Class	Percentage
Stocks	37.3%
Investment grade debt instruments	10.6%
High-yield debt instruments	10.3%
Real estate	11.8%
Other	29.9%

Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the US Department of Labor. The report is called the "Form 5500." These reports contain financial and other information. You may obtain an electronic copy of your Plan's annual report by going to www.efast.dol.gov and using the search tool. For identification purposes, the official plan number, "PN" is 001, the plan sponsor's name and employer identification number or "EIN" is The Board of Trustees Southern California IBEW-NECA Pension Trust Fund and 95-6392774. Annual reports also are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator. Annual reports do not contain personal information, such as the amount of your accrued benefit. You may contact your plan administrator if you want information about your accrued benefits. Your plan administrator is identified below under "Where to Get More Information."

Summary of Rules Governing Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans that become insolvent, either as ongoing plans or plans terminated by mass withdrawal.

The plan administrator is required by law to include a summary of these rules in the annual funding notice. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for that plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available resources. If such resources are not enough to pay benefits at the level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

ANNUAL FUNDING NOTICE

For

Southern California IBEW-NECA Pension Trust Fund

(Continued)

A plan that becomes insolvent must provide prompt notice of its status to participants and beneficiaries, contributing employers, labor unions representing participants, and the PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected, including loss of a lump sum option.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are eligible for PBGC guarantee. There are separate insurance programs with different benefit guarantees and other provisions for single-employer plans and multiemployer plans. Your Plan is covered by the PBGC's multiemployer program. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first $11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next $33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is $35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of $600, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($600/10), which equals $60. The guaranteed amount for a $60 monthly accrual rate is equal to the sum of $11 plus $24.75 (.75 x $33), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 x 10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of $200, the accrual rate for purposes of determining the guarantee would be $20 (or $200/10). The guaranteed amount for a $20 monthly accrual rate is equal to the sum of $11 plus $6.75 (.75 x $9), or $17.75. Thus, the participant's guaranteed monthly benefit would be $177.50 ($17.75 x 10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In addition, the PBGC guarantees qualified preretirement survivor benefits (which are preretirement death benefits payable to the surviving spouse of a participant who dies before starting to receive benefit payments). In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under a plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

For additional information about the PBGC and the pension insurance program guarantees, go to the Multiemployer Page on the PBGC's website at www.pbgc.gov/multiemployer. Please contact your employer or plan administrator for specific information about your pension plan or pension benefit. The PBGC does not have that information. See "Where to Get More Information" about your Plan, below.

Where to Get More Information

For more information about this notice, you may contact the Administrative Trust Funds Office at (323)221-5861 or the nationwide, toll-free number (800) 824-6935. Normal business hours are Monday through Friday, 8:30AM to 5:30PM. Voicemail messages may be left at any time and calls will be returned by the end of the next business day. Fax communications may be directed to (323) 726-3520 and you may access the Trust Funds' website at www.scibew-neca.org at any time. For identification purposes, the official plan number, "PN" is 001, the plan sponsor's name and employer identification number or "EIN" is The Board of Trustees Southern California IBEW-NECA Pension Trust Fund and 95-6392774.

NOTICE OF APPLICATION FOR AMORTIZATION EXTENSION

for the

<u>SOUTHERN CALIFORNIA IBEW-NECA PENSION TRUST FUND</u>

<u>Part I. Explanation</u>

This notice is to inform you that the Southern California IBEW-NECA Pension Trust Fund is requesting a ruling from the IRS to extend certain amortization period(s).

Why is the pension plan sending you this notice? Pension plans are required by law to send out notices to affected parties when certain events happen, such as when the plan requests a ruling from the IRS for certain purposes.

What the notice does: The notice alerts you to a ruling the pension plan is requesting from the IRS. **You are *not required* to take any action at all.** The reason for the notice is to tell you about an action being taken by the pension plan, and to inform you that you have a right to comment on the ruling the plan is requesting from the IRS. If you wish, you may comment to the IRS on the ruling request, in accordance with the terms stated in “Part II. Technical Provisions” below. Or, if you wish, you may take no action at all. Also, “Part III. Information about Funded Status” below explains how you may obtain more information regarding the plan from the plan administrator, or from the Department of Labor.

What kind of ruling is the plan requesting? The plan's participating employers are required to pay sufficient contributions to the retirement fund, over a specified period of years, to bring the level of funding equal to the plan's long term obligations. The ruling request is to extend the period of years required to fund the obligations.

What the notice does not do: This notice does not obligate you to do anything. It gives you an opportunity to comment if you wish. This notice does not enable the IRS to explain your benefits or to adjust them in any way. The IRS does not maintain data about your benefits under the plan. If you wish to obtain information about your benefits, you should ask the plan administrator. The notice does *not* allow the IRS to give you information about a requested ruling. Disclosure laws prohibit the IRS from giving out such information. However, see “Part III. Information about Funded Status of Plan” below, for an explanation of your right under §101(k) of the Employee Retirement Income Security Act of 1974, as amended (by ERISA), to request information from the plan administrator that is relevant to the amortization extension application.

What the requested ruling would not do: The ruling the pension plan is requesting would not change your accrued benefit. If the IRS were eventually to decide in favor of the requested ruling, the ruling would neither reduce your accrued benefit nor eliminate the obligation of the contributing employers to continue to fund benefits. If the ruling request is approved by the IRS, your pension plan remains obligated to pay your benefits as determined under the plan documents.

Part II. Technical Provisions

This notice is to inform you that an application for an extension of an amortization period for unfunded liability under §431(d) of the Internal Revenue Code (Code) and §304(d) of ERISA will be submitted by the Board of Trustees to the Internal Revenue Service (IRS) for the Southern California IBEW-NECA Pension Trust Fund for the plan year beginning July 1, 2017.

The IRS will grant an automatic extension if the plan's actuary certifies that the plan's funded status meets certain standards described in §431(d)(1) of the Code. The IRS may also grant an alternative extension if it determines (A) that the extension would carry out the purposes of ERISA and the Pension Protection Act of 2006 and would provide adequate protection for participants, and (B) that failure to permit the extension would result in substantial risk to the continuation of the plan, and would be adverse to the interests of the plan participants in the aggregate. The plan is applying for:

_X_ an automatic extension

____ an alternative extension

The IRS has received a copy of this notice. The IRS will consider any relevant information that it receives concerning the application for an extension. Any additional information that you may have should be submitted using the attached Comment and IRS Acknowledgment Sheet. You may send this information to the following address:

Director, Employee Plans
Internal Revenue Service
Attn: SE:T:EP:RA:T:A2
1111 Constitution Avenue, N.W.
Washington, D.C. 20224

If you intend to submit comments, any such information should be submitted as soon as possible after you receive this notice. Due to the disclosure restrictions of §6103 of the Code, the IRS cannot provide any information with respect to the extension application itself. In particular, the IRS cannot disclose that it has received such a ruling request. As a result, the only response the IRS can make to any information you send is an acknowledgement that it has received your comments. Therefore, the IRS will respond to your letter only if you include a completed acknowledgement sheet as given below in Part IV of this notice.

Part III. Information about Funded Status of Plan

As required by §104(b)(2) and (4) of ERISA, the plan administrator must furnish a copy of the latest annual plan report upon written request and make the annual report available for inspection at its principal office, which is located at 6023 Garfield Avenue, City of Commerce, California 90040. Under §101(k)(1) of ERISA, any application for an extension of the amortization period under §304(d) of ERISA or §431(d) of the Code (including the application for extension described in this notice) and the determination made by the IRS with respect to such application may be obtained upon request by writing to the plan administrator at the above address. Such documents must be furnished by the plan administrator no later than 30 days after receipt of the written request. Section 502(c)(4) of ERISA grants the Department of Labor the authority to assess civil penalties not to exceed $1,000 per day for each violation of §101(k).

As permitted under §101(k) of ERISA, copies of periodic actuarial reports, quarterly, semi-annual, or annual financial reports, and copies of any application for extension under §304 of ERISA or §431(d) of the Code may be obtained upon request and upon payment of a copying charge of 25 cents per page by writing to the plan administrator at the above address.

In accordance with §104 of ERISA, annual financial reports for this plan, which include employer contributions made to the plan for any plan year, are available for inspection at the Department of Labor in Washington, D.C. Copies of such reports may be obtained upon request and upon payment of copying costs from the following address:

Public Disclosure Room
Room N-1513
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D.C. 20210

For 2009 and subsequent plan years, you may obtain an electronic copy of the plan's annual report at *www.efast.dol.gov* by accessing the Form 5500 search function.

The following information is provided pursuant to §304(d)(3) of ERISA and §431(d)(3) of the Code:

Present value of accrued benefits: $1,591,138,575

Present value of benefits that are guaranteed by the PBGC, calculated as though the plan terminated: $3,434,080,735

Fair market value of plan assets: $1,084,252,115

The above calculations were as of July 1, 2017. The above present value of accrued benefits was calculated using an interest rate of 7.5%, whereas the present value of benefits that are guaranteed by the PBGC, calculated as though the plan terminated, was determined using an interest rate of 2.44% for the first 20 years and 2.74% thereafter.

James Willson, Chairman

Part IV. Response to Comments

COMMENT AND IRS ACKNOWLEDGEMENT SHEET

FOR COMMENTS ON APPLICATION FOR AMORTIZATION EXTENSION

If you send any comments about the application for an amortization extension, including whether the plan meets the criteria stated in Part II above, you should provide your name and address below and include this acknowledgement sheet with your comments. The IRS will complete the acknowledgment below and return it to you. Since the IRS cannot disclose to you any information about any other taxpayer, the IRS cannot tell you anything about any plan's request for a ruling. Therefore, this acknowledgement sheet will constitute the only response the IRS will make to your comments.

1. *To be completed by the person submitting comments to the IRS:*

   Submitter's Name and Address:

   Plan with respect to which you are making comments:

   Southern California IBEW-NECA Pension Trust Fund

2. *To be completed by IRS:*

   Date your comments were received:

   Signature:

   Director, Employee Plans