



## Notice to Travelers Regarding Defined Benefit Plan Contributions

February 2022

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

Pursuant to the International Money-Follows-the-Person Reciprocity Agreement, reciprocal contributions received by the Southern California IBEW-NECA Administrative Trust Funds Office are credited as follows: Defined Benefit Plan monies will be credited to Defined Benefit Plans and Defined Contribution monies will be credited to Defined Contribution accounts as set forth in the International Reciprocal Agreement. All contributions received for hours worked on or after October 28, 2009 and reciprocated pursuant to the Money-Follows-the-Person Reciprocity Agreement will be subject to the Default Schedule for determination of retirement benefits (please see the September 28, 2016 Rehabilitation Plan Schedules, as amended and incorporated into the October 21, 2021 Funding Improvement Plan Update ("FIP") at a Glance, which appears on the reverse of this notice).

A Traveler is an IBEW Local Union member who is working outside his/her Home Local and has registered for a transfer of contributions under the International Reciprocal Agreement (ERTS).

The Southern California IBEW-NECA Pension Plan was certified by its Actuary on September 28, 2021 that the Plan is in endangered status for the Plan Year beginning July 1, 2021. The Plan's Co-Actuaries determined that the Plan emerged from Critical status for the Plan Year beginning July 1, 2018 and was in Endangered status for the Plan Year beginning July 1, 2018. Federal Law requires pension plans in Endangered status to adopt a Funding Improvement Plan ("FIP") aimed at improving the financial health of the Plan. The Plan was certified to be in Critical Status for the 2016 Plan Year and as required, the Board of Trustees adopted a Rehabilitation Plan with multiple schedules. The Trustees, working with the Plan Actuary, determined that the provisions of the Rehabilitation Plan are currently sufficient to meet the requirements of a "FIP" and those schedules are being continued under the October 21, 2021 Funding Improvement Plan Update. Consequently, there are no further benefit reductions or contribution increases beyond those contained within the September 26, 2016 Rehabilitation Plan, as amended, which contained two categories of Schedules: (1) Alternative Schedules with Versions 1(a)-1(u) proposing different levels/timing of non-benefit Employer Contribution increases which included benefit changes, (under each of the Schedules, certain adjustable benefits, for those benefits that were not in pay status prior to April 1, 2017, are reduced with the adoption or implementation of that Schedule); and (2) the Default Schedule where the Early Retirement Pension is reduced to an Actuarial Equivalent of the Normal Retirement Age benefit. A copy of the October 21, 2021 Funding Improvement Plan Update was mailed to all Plan participants in November 2021. If you did not receive the original Memorandum regarding the Annual Funding Notice and the Notice of Endangered Status and would like to receive additional copies of these documents, 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 Alternative Schedules 1(a) through 1(u) call for employers to contribute an additional "off-benefit" contribution amount, meaning that it is devoted solely to improving the funding condition of the Plan. Please see the Alternative Schedules adopted by IBEW Union Locals 11, 440, 441, and 477 that appear on the reverse side.

**The off-benefit employer contributions will not be used for benefit accruals for Participants in this Plan, nor generally will they be transferred to a Traveler's Home DB Plan. The hourly contributions made to the Southern California IBEW-NECA Pension Plan that do result in a benefit accrual are transferred to the Traveler's Home Pension Plan presuming the Traveler has properly registered for a transfer of contributions under the International IBEW-NECA Reciprocal Agreement (ERTS - <https://erts.ibew.com>).**

*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 Reciprocal Agreement (ERTS).*

*See other side*

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## 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 February 2022. The DB Pension rate for Local 11 is \$6.32 per reported hour, plus the off-benefit rate of \$2.71 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 February 2022. Local ###'s DB Pension rate is \$5.00 and there is no 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.

## SEPTEMBER 28, 2016 REHAB PLAN SCHEDULES, as amended, AT A GLANCE

Alternative	Contribution Increase per Hour Worked	Increase(s) Effective on and after the Following Date(s)	Schedule Adopted by Local
(a)	single increase of \$0.76	February 1, 2016	IBEW Local 11
(b)	two cumulative increases of \$0.41	February 1, 2016 and February 1, 2017 respectively	
(c)	three cumulative increases of \$0.29	February 1, 2016, February 1, 2017 and February 1, 2018 respectively	
(d)	single increase of \$0.80	July 1, 2016	IBEW Local 477
(e)	two cumulative increases of \$0.43	July 1, 2016 and July 1, 2017 respectively	
(f)	three cumulative increases of \$0.31	July 1, 2016, July 1, 2017 and July 1, 2018 respectively	
(g)	single increase of \$0.88	February 1, 2017	
(h)	two cumulative increases of \$0.47	February 1, 2017 and February 1, 2018 respectively	
(i)	three cumulative increases of \$0.34	February 1, 2017, February 1, 2018 and February 1, 2019 respectively	
(j)	single increase of \$0.93	July 1, 2017	
(k)	two cumulative increases of \$0.51	July 1, 2017 and July 1, 2018 respectively	
(l)	three cumulative increases of \$0.37	July 1, 2017, July 1, 2018 and July 1, 2019 respectively	
(m)	single increase of \$0.86	January 1, 2017	IBEW Local 440
(o)	single increase of \$1.11	July 1, 2018	
(p)	two cumulative increases of \$0.62	July 1, 2018 and July 1, 2019 respectively	
(q)	three cumulative increases of \$0.45	July 1, 2018, July 1, 2019 and July 1, 2020 respectively	
(r)	single increase of \$1.36	July 1, 2019	
(s)	two cumulative increases of \$0.76	July 1, 2019 and July 1, 2020 respectively	
(t)	three cumulative increases of \$0.57	July 1, 2019, July 1, 2020 and July 1, 2021 respectively	
(u)	An increase of \$0.35 followed by two cumulative increases of \$0.34	March 1, 2017, March 1, 2018, and March 1, 2019 respectively	IBEW Local 441

Each of the contribution requirements will be subject to additional increases as necessary in future Rehabilitation Plan Updates. If an existing Agreement calls for different rates for apprentices or other classifications than the journeyman rate, that practice may continue under this Alternative Schedule.

**NOTE: IBEW Locals 440 and 477 adopted Alternative Schedule 2, which requires additional funding of \$0.01 from July 1, 2017 through June 30, 2021. The benefit changes under Alternative Schedule 2 are identical to those in Alternative Schedule 1 with the addition of the following provisions:** (1) Participants in this Plan may also participate in the Southern California IBEW-NECA Defined Contribution Plan and/or the Orange County IBEW-NECA Defined Contribution Plan. For Plan Years commencing on and after July 1, 2004, notwithstanding anything in this Plan to the contrary, no Plan Year in which at least 375 hours of reciprocal contributions are made on behalf of a Participant to either of these Defined Contribution Plans shall constitute a portion of a 'Grace Period' of such a Participant under this Plan. Effective June 1, 2004, the preceding sentence includes contributions that are contributed directly to either the Southern California IBEW-NECA Defined Contribution Plan or the Orange County IBEW-NECA Defined Contribution Plan through the terms of a collective bargaining agreement, Non-Bargaining Participation Agreement or a reciprocity authorization. (2) Participants in this Plan whose home Locals are 440 or 477 may also participate in the Inland Empire IBEW-NECA Pension Trust Fund. For Plan Years commencing on and after July 1, 2015, notwithstanding anything in this Plan to the contrary, no Plan Year in which at least 375 hours of contributions are made on behalf of a Participant to the Inland Empire IBEW-NECA Pension Trust Fund shall constitute a portion of a 'Grace Period' of such a Participant under this Plan.

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**