



SOUTHERN CALIFORNIA IBEW-NECA TRUST FUNDS

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DATE: February 13, 2017
TO: Participants with Hours Reported to Southern California IBEW-NECA Pension, Defined Contribution and Health Plans
FROM: Southern California IBEW-NECA Administrative Trust Funds Office
RE: Quarterly Statement of Reported Hours

The enclosed statement includes the hours reported to the Southern California IBEW-NECA Pension, Defined Contribution and Health Plans for the work months of **October 2016** through **December 2016***. This statement also includes Health Bank Hours for participants in the Southern California IBEW-NECA Health Plan for the month of **February 2017**.

Pursuant to the International Money-Follows-the-Person Reciprocity Agreement, reciprocal contributions received by the Southern California IBEW-NECA Trust Fund 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 Summary of Funding Improvement Schedules which appears on the reverse of this notice). Individuals who work inside the jurisdiction of this Plan and have employer contributions transferred to another Plan pursuant to the Money-follows-the-Person Reciprocity Agreement shall see all increased/decoupled (non-benefit accrual) contributions remain in this Plan. Only standard contributions (contributions not solely for the benefit of this Plan) will be transferred. You may wish to contact the Administrative Trust Funds Office to inquire how this may affect your retirement benefits under the Southern California IBEW-NECA Pension Plan.

The Southern California IBEW-NECA Pension Plan's co-actuaries have determined that the Plan is projected to be in Critical Status beginning July 1, 2018 because over the subsequent three years from this Plan Year ending June 30, 2019, the Plan is projected to have an accumulated funding deficiency before the Plan Year ending June 30, 2022. Federal Law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. On September 28, 2016 the Board of Trustees elected for the Plan to be in critical status effective July 1, 2016 and authorized the adoption of a Rehabilitation Plan which contained two categories of Schedules: Alternative Schedules with Versions 1(a) – 1(t) proposing different levels/timing of non-benefit Employer Contribution increases which include benefit changes. Under each of the Schedules, certain adjustable benefits, for those benefits that are not in pay status prior to April 1, 2017, are reduced with the adoption or implementation of that Schedule, and the Default Schedule where the Early Retirement Pension is reduced to an Actuarial Equivalent to the Normal Retirement Age benefit. On October 27, 2016, the Board of Trustees of the Plan agreed to amend the 9/28/2016 Rehab Plan by adding an additional Version 1(u). A copy of the September 28, 2016 Rehab Plan and the October 27, 2016 Amendment were mailed out to all Plan participants. If you did not receive the original Memorandum regarding "Benefit Changes under the Critical Status Rehabilitation Plan" or the "First Amendment to the September 28, 2016 Rehab Plan" 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.

Participants of the Southern California IBEW-NECA Health Plan who travel to other areas, should be aware that incoming reciprocity hours are routinely received later than hours worked and reported in the Home area. Please also be aware that some areas send Defined Benefit and Defined Contribution transfers at different times and the hours may not appear on the same statement.

Health, Defined Benefit, and Defined Contribution hours reported for Local 11 members working under the Inside, Traffic Signal and other agreements in Los Angeles, will be reported in equal quantities. If you work under an agreement that does not include one or more of these benefits, only the benefit provided under the agreement will be indicated. **Health hours reciprocated** from an area with a lower contribution rate will be pro-rated as provided under the Summary Plan Description.

If you have questions or your record of hours worked does not agree with the enclosed statement, please contact the Administrative Office directly at 800-824-6935 or 323-221-5861 Monday through Friday from 8:30am to 5:30pm PST. Please have your statement available so we can assist you.

See other side →

The enclosed quarterly statement of reported hours and contributions does **not** replace the Annual Statement of Reported Hours for the Pension Plan or the periodic statements for the Defined Contribution Plan prepared and distributed by John Hancock ("formerly New York Life"). Southern California IBEW-NECA Defined Contribution Plan Contractor Statement and account information are available through John Hancock Retirement Plan Services at www.mylife.jhrps.com

*Please note that late hours or hours sent by reciprocal transfer for these work months may not be included in this statement.

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)	an increase of \$0.35 followed by two cumulative increases of \$0.34	March 1, 2017, March 1, 2018 and March 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 is 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.

REHABILITATION PLAN SCHEDULES AT A GLANCE

Plan Feature	Current Plan	Alternative Schedules 1 & 2	Default Schedule
Percentage of Contributions Benefit Accrual Formula – excludes contributions dedicated solely for funding purposes	1.45% of Contributions up to 42,500 covered hours and 1.90% thereafter excluding all new and historical "off-benefit contributions" For benefits earned under historical default schedule, 1.00% of contributions excluding "off-benefit" contributions except new increases from the January 27, 2016 FIP update.	Same as current 1.45%/1.90% plan except the 1.90% hours requirement increased from 42,500 to 44,500 covered hours. Any and all "off-benefit" contributions continue to be "off-benefit" and do not accrue any benefit.	1.00% of All Contributions accrued under the Default Schedule. All prior "off-benefit" contributions are still required but accrue benefits at the 1.00% rate while under the Default Schedule. The 1.00% rate is implemented as soon as legally permissible upon a switch to the Default Schedule.
Early Retirement Pension (changes to all benefits not in pay status as of April 1, 2017)	Actuarially reduced prior to age 55	For benefits not in pay as of April 1, 2017: Actives with age 56 and 44,500 covered hours have an unreduced benefit. Otherwise Actuarial reduction from Normal Retirement Age (e.g. Age 65).	For all benefits accrued under and for those switching to the Default Schedule: Actuarial reduction from Normal Retirement Age (e.g. Age 65) for benefits not in pay status as of April 1, 2017.
Disability Pension (changes to all benefits not in pay status as of April 1, 2017)	Only removed for prior default schedule	Removed for both historical default schedule and for all benefits not in pay status as of April 1, 2017.	
60-Payment Pre-Retirement Death Benefit	60 payments of Participant's accrued benefit (no reduction for age). Not available for benefits earned under historical default schedule.	Same as current plan	Not available for benefits already under the Default Schedule. For benefits now switching to the Default Schedule, removed for benefits not in pay status as of April 1, 2017.
Single Life Annuity with Five-Year Guarantee or Certain Feature	Pension benefits payable for Participant's lifetime with a maximum guarantee of sixty-months of payments. Not available for benefits earned under historical default schedule.	Same as current plan	Lifetime only with no sixty-month guarantee of payments for benefits already under the Default Schedule. For benefits now switching to the Default Schedule, removed for benefits not in pay status as of April 1, 2017.
Social Security Level Income Option	Not available	Not available	Not available
100% and 66 2/3% Joint-and-Survivor Pension	Eligible surviving spouse receives lifetime 100% or 66 2/3% continuation of Participant's monthly benefit. Not available for benefits earned under historical default schedule.	Same as current plan	100% and 66 2/3% forms not available under Default Schedule accruals from original October 28, 2009 Rehabilitation Plan changes. 50% or 75% options available under Default Schedule accruals.
50% and 75% Joint-and-Survivor Pension	Eligible surviving spouse receives lifetime 50% or 75% continuation of Participant's monthly benefit	Same as current plan	50% or 75% options available; benefit form adjustment factors differ slightly from factors used for Alternative Schedules in order to account for removal of 60 guaranteed payments.