



SOUTHERN CALIFORNIA IBEW – NECA TRUST FUNDS

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MEMORANDUM

TO: All Plan Participants, Beneficiaries Receiving Benefit Payments, QDRO Alternate Payees, Employers Obligated to Contribute, Local Unions Representing Plan Participants, Secretary of Labor, Pension Benefit Guaranty Corporation

FROM: Board of Trustees

DATE: September 28, 2016

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, 2016 to be projected to be in critical status for the Plan Year beginning July 1, 2018, pursuant to IRC Section 432(b)(3). Pursuant to IRC Section 432(b)(4) on September 28, 2016 the Trustees elected for the Plan to be in critical status effective July 1, 2016. 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 benefits which first commenced prior to March 31, 2017.

Critical Status

The Plan was projected to enter critical status beginning July 1, 2018 because it has funding or liquidity problems, or both. More specifically, the Plan's actuary 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.

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. Since the trustees of the plan have determined that benefit reductions are necessary, you are also receiving a separate notice 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 that is payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after the date of this notice.

All Plan Participants, Beneficiaries Receiving Benefit Payments, ODRO Alternate Payees, Employers Obligated to Contribute, Local Unions Representing Plan Participants, Secretary of Labor Pension Benefit Guaranty Corporation
September 28, 2016
Page 2

Adjustable Benefits

The Plan offers the following adjustable benefits which may be 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 early retirement-type subsidy; and (v) Pre-Retirement death benefits.

Employer Surcharge

Employers must pay a Contribution Surcharge, beginning with the contributions due 30 days after the date of this Notice-- 5% of contributions required to be paid on or after October 28, 2016 or actually paid after that date even if the obligation to the Fund arose earlier, through June 30, 2017; 10% of contributions required to be paid or actually paid on and after July 1, 2017. The surcharge remains in effect until the Employer and Union agree on a Rehabilitation Plan Schedule. A copy of the Rehabilitation Plan adopted by the Trustees and an explanation of the changes under each Schedule is enclosed.

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

A copy of the rehabilitation plan and an explanation is enclosed.

Board of Trustees

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: September 28, 2016

RE: 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 you.

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 (resulting from underperformance in the capital markets) 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.
- "Seriously Endangered status," which is often called the Orange Zone.
- "Critical status," which is often called the Red Zone.
- "Critical and Declining status," which is another more severe category that was added by the Multiemployer Pension Reform Act of 2014 (MPRA).
- "Neither endangered nor critical status," which is often called the Green Zone.
- Plans that are in a Zone besides the Green Zone (that is in the Yellow, Orange, Red Zone etc.) are subject to special operational requirements and must adopt formal programs to bring their liabilities and assets into better balance. Following is a brief history of the Plan's annual funding status certifications:

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
September 28, 2016
Page 2

<p>JULY 1, 2008 THROUGH JUNE 30, 2009 ZONE CERTIFICATION – Green Zone</p> <p>JULY 1, 2009 THROUGH JUNE 30, 2010 ZONE CERTIFICATION – Red Zone and Adoption of a Rehabilitation Plan</p> <p>JULY 1, 2010 THROUGH JUNE 30, 2012 ZONE CERTIFICATIONS – Green Zone</p> <p>JULY 1, 2012 THROUGH JUNE 30, 2015 ZONE CERTIFICATION – Yellow Zone and Adoption of a Funding Improvement Plan</p> <p>JULY 1, 2015 THROUGH JUNE 30, 2016 ZONE CERTIFICATION – Orange Zone and Update of the Funding Improvement Plan</p>
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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." As you know, in the years following the first certification, the stock markets 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 was certified 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). As required by law, the Plan adopted a Rehabilitation Plan which included both benefit and contribution changes. Primarily as a result of the changes in the Rehabilitation Plan, the Plan was certified in the "Green Zone" for the next two following years, through June 30, 2012. On September 28, 2012, the Plan's actuary certified the Plan's funding status to be in endangered status for the 2012 Plan Year (July 1, 2012 through June 30, 2013). The Plan adopted a Funding Improvement Plan which included additional benefit and contribution changes. The Plan continued to be certified in endangered status the two following years, through June 30, 2015.

On September 28, 2015 the Plan was certified to be in the "Orange Zone" also known as "Seriously Endangered" status. Often when a plan is in Seriously Endangered Status, it is also projected to enter "Critical Status" (the "Red Zone") in the near future. While in the Red Zone a plan has additional benefit reduction options (that are not otherwise available) which will help a Plan to recover faster. Generally, the further in time that benefit reductions are delayed, the more difficult it is for a Plan to recover. Because of this, the law also provides that when the Plan is in the Orange Zone the Plan's Trustees can opt to enter Critical Status at an earlier date.

The Southern California IBEW-NECA Pension Plan ("Plan") was certified by its Actuary on September 28, 2016 to be projected to be in critical status for the Plan Year beginning July 1, 2018, pursuant to IRC Section 432(b)(3). Pursuant to IRC Section 432(b)(4) and the authority and direction of the Board of Trustees as described on Page 3 below, on September 28, 2016 the Chair and Secretary elected for the Plan to be in critical status effective July 1, 2016.

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
September 28, 2016
Page 3

With the 2016 Critical Status 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 2016 Plan Year. The Trustees of the Plan must also adopt a Rehabilitation Plan designed to enable the Plan to reach the Pension Protection Act's statutory funding requirements over time.

JULY 1, 2016 THROUGH JUNE 30, 2017
ZONE CERTIFICATION – Red Zone and Adoption of a Rehabilitation Plan

In the September 13, 2016 Board of Trustees meeting ("Board Meeting"), and subject to formal receipt on September 28, 2016 of the actuary's certification in substantially the same form as the draft circulated and discussed at the Board Meeting, the Board of Trustees authorized the Chair and Secretary to take formal action to adopt the Rehabilitation Plan including the Schedules which are described below. Each of the Alternative Schedules provide different options which include benefit changes and/or additional off-benefit contributions based upon the Alternative Schedules. Each Collective Bargaining Agreement must, upon expiration or earlier, be modified to adopt one of the Schedules. 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.

This Rehabilitation Plan provides the collective bargaining parties with the option of opening their collective bargaining agreement to adopt one of the Schedules being made available to them. Generally, the earlier a Schedule is adopted the less additional action, in the way of benefit reductions and/or additional contribution increases, will ultimately be necessary. If within 180 days from the expiration of a collective bargaining agreement, the collective bargaining parties have not adopted a schedule, then in that event the Board of Trustees must unilaterally implement the Default Schedule under this Rehabilitation Plan.

All off-benefit contributions implemented under the Plan's prior Funding Improvement and Rehabilitation Plans or any of their updates remain off-benefit under this Rehabilitation Plan's Alternative Schedules.

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 (for benefits not earned under this Plan's past default schedules), Social Security Level Income Option and the Disability Pension benefits;
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, 2016 Plan Year.

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
September 28, 2016
Page 4

None of these reductions in adjustable benefits will apply to Participants and Beneficiaries whose benefit commencement date is before April 1, 2017 (except for any adjustable benefits that may have been reduced under a prior Rehabilitation Plan). For all participants, the level of accrued benefits for pensions first payable at Normal Retirement Age cannot and will not be retroactively reduced as part of any Rehabilitation Plan.

At its September 13, 2016 meeting, and contingent upon receipt of the Actuary's Red Zone Certification on September 28, 2016, 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 September 28, 2016 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 under the current Rehabilitation Plan's provisions. Unless otherwise noted, reductions under the Schedules do not apply to the initial benefit of Participants and Beneficiaries who commence receipt of benefits prior to April 1, 2017.

Until the bargaining parties agree to a Schedule or, if they fail to timely agree on a Schedule and 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.** The Social Security Level Income Option payment form was previously removed and continues to be unavailable.
- **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 October 28, 2016 or actually paid after that date even if the obligation to the Fund arose earlier, through June 30, 2017; 10% of Contributions required to be paid or actually paid on and after July 1, 2017. The surcharges are implemented and remain in effect unless and until the Employer and Union agree on a Rehabilitation Plan Schedule.

REHABILITATION PLAN SCHEDULES

The Rehabilitation Plan (copy enclosed) contains three Schedules –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 September 28, 2016, 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.

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
September 28, 2016
Page 5

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.

SUMMARY OF SCHEDULES

BENEFIT CHANGES INCLUDING CHANGES TO ADJUSTABLE BENEFITS

Each of the schedules under this Rehabilitation Plan include the following reduction in “**Adjustable Benefits**” in addition to any additional benefit changes described within a particular schedule:

- The Disability Benefits are eliminated for any participants who are not in pay status as a disabled participant prior to April 1, 2017.
- For benefits accrued under the Default Schedule and/or where a bargaining unit is shifting to the Default Schedule, the Early Retirement Subsidy for the Early Retirement Pension is reduced to be Actuarial Equivalent to the Normal Retirement Age benefit. This means that for a Participant that retires early, prior to Normal Retirement Age, their Normal Retirement (e.g. age 65) benefit is actuarially reduced so that they would be expected to receive the same value of benefits over their earlier and longer retirement timeframe as they would have if they were to instead retire at Normal Retirement Age under an unreduced benefit over a shorter and later retirement timeframe.

Under all Alternative Schedules, the Early Retirement Subsidy for the Early Retirement Pension for all Terminated Vested Participants is also reduced to an Actuarial Equivalent (as described above) and the Early Retirement Subsidy for the Early Retirement Pension is also reduced to an Actuarial Equivalent for any Active Participants retiring prior to attaining both age 56 and 44,500 covered hours. The Actuarial Equivalent reduced benefits described in this Rehabilitation Plan are based on an actuarial reduction when retiring prior to Normal Retirement Age (e.g. age 65) for any participants who are not in pay status prior to April 1, 2017.

Any additional increased Employer Contribution rates and/or Benefit Changes tied to each respective Schedule are described below. All off-benefit contributions pursuant to the Alternative Schedules below shall be disregarded for purposes of determining a Participants’ accrued benefits. The additional Off-Benefit Contributions are utilized solely to improve the Plan’s funding and result in no benefit accruals whatsoever.

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
 September 28, 2016
 Page 6

Scenario		Additional Off-Benefit Contributions	Accrual Rate	
			Base	Early Ret Eligible
Default Schedule	Accrual Rate 1% of all contributions for benefits accrued on or after implementation of this schedule and eliminates (1) Early Retirement Subsidy, (2) Disability Benefit, (3) 60-month guarantee period, (4) Pre-Retirement 120-month guarantee period for the Death Benefit, and (5) the 66 2/3% and 100% Joint-and-Survivor Pension.	\$0.00	1.00% of all contributions	
Alternative Schedules (remove Disability Benefit; remove Early Retirement Subsidy if not active, age 56 & 44,500 covered hours)				
1(a)	Contribution increase on February 1, 2016	\$0.76	1.45%/1.90% of on-benefit accruing contributions, excludes off-benefit contributions	
1(b)	Two years of increases on February 1, 2016 and February 1, 2017	\$0.41 per hour per year		
1(c)	Three years of increases on February 1, 2016, February 1, 2017 and February 1, 2018	\$0.29 per hour per year		
1(d)	Contribution increase on July 1, 2016	\$0.80		
1(e)	Two years of increases on July 1, 2016 and July 1, 2017	\$0.43 per hour per year		
1(f)	Three years of increases on July 1, 2016, July 1, 2017 and July 1, 2018	\$0.31 per hour per year		
1(g)	Contribution increase on February 1, 2017	\$0.88		
1(h)	Two years of increases on February 1, 2017 and February 1, 2018	\$0.47 per hour per year		
1(i)	Three years of increases on February 1, 2017, February 1, 2018 and February 1, 2019	\$0.34 per hour per year		
1(j)	Contribution increase on July 1, 2017	\$0.93		
1(k)	Two years of increases on July 1, 2017 and July 1, 2018	\$0.51 per hour per year		
1(l)	Three years of increases on July 1, 2017, July 1, 2018 and July 1, 2019	\$0.37 per hour per year		
1(m)	Contribution increase on January 1, 2017	\$0.86		
1(o)	Contribution increase on July 1, 2018	\$1.11		
1(p)	Two years of increases on July 1, 2018 and July 1, 2019	\$0.62 per hour per year		
1(q)	Three years of increases on July 1, 2018, July 1, 2019 and July 1, 2020	\$0.45 per hour per year		
1(r)	Contribution increase on July 1, 2019	\$1.36		
1(s)	Two years of increases on July 1, 2019 and July 1, 2020	\$0.76 per hour per year		
1(t)	Three years of increases on July 1, 2019, July 1, 2020 and July 1, 2021	\$0.57 per hour per year		

WHEN REHABILITATION PLAN CHANGES APPLY

WHEN REHABILITATION PLAN CHANGES APPLY

The current monthly benefits of Pensioners and Beneficiaries whose Annuity Starting Dates are prior to April 1, 2017 are not subject to reduction in adjustable benefits (unless already reduced under a prior Funding Improvement or Rehabilitation 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 on or after April 1, 2017 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 all benefits earned under the Default Schedule for a *Participant* who commences benefits on or after April 1, 2017 under Early Retirement shall have benefits reduced to the actuarial equivalent of a benefit payable at Normal Retirement Age.
- Except as provided below under Special Rules for Application of Benefit Reductions, upon implementation of the Rehabilitation Plan the benefit under an Alternative Schedule for a *Terminated Vested Participant* who commences benefits on or after April 1, 2017 under Early Retirement shall have benefits reduced to the actuarial equivalent of a benefit payable at Normal Retirement Age.
- Except as provided below under Special Rules for Application of Benefit Reductions, upon implementation of the Rehabilitation Plan the benefit under an Alternative Schedule for an *Active Participant* who commences benefits on or after April 1, 2017 under Early Retirement but *prior to attaining both age 56 and 44,500 covered hours of service under the Plan* shall have benefits reduced to the actuarial equivalent of a benefit payable at Normal Retirement Age.
- For non-bargaining unit employee Participants employed by employers who also contribute on behalf of bargaining unit Participants the Schedule and implementation date is the same as the Schedule and implementation date for that employer's bargaining unit employees. For non-bargaining unit employee participants not employed by an employer that contributes pursuant to a collective bargaining agreement their implementation date is the earlier of the employer's adoption of a Schedule or 180 days from July 1, 2017.
- 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 employer surcharge Contributions and all prior and future off-benefit contributions under any schedule remain in the Southern California IBEW-NECA Pension Plan for funding purposes only. These Contributions result in no

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
September 28, 2016
Page 8

benefit accruals for any participant. Only on-benefit contributions (both prior and future) received will be transferred.

Special Rules for Application of Benefit Reductions

Those Participants who have not commenced receipt of benefits prior to April 1, 2017 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 (e.g. for example the Default Schedule) subsequently becomes covered by another Schedule (e.g. an Alternative Schedule), benefits accrued up to the date of the change will be determined under the first Schedule (e.g. for example, accruals initially earned outside of area under reciprocity following the Default Schedule) and benefits accrued after that date (e.g. accruals in the Plan's jurisdiction perhaps under an Alternative Schedule) will be determined under the second Schedule. To the extent required by law, this may result in separate and distinct annuities (e.g. one annuity under the Default Schedule and a separate and distinct annuity under an Alternative Schedule, where combined service is used for benefit eligibility purposes) being provided to an individual Plan Participant to assure compliance with all applicable law. For example if an Active Participant meets the age 56 and 44,500 covered hours requirement to receive their Alternative Schedule benefit in an unreduced fashion, the Participant can elect to receive the Alternative Schedule benefit unreduced early and defer application for a Default Schedule benefit until a later date.

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 September 28, 2016 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.

For benefits that first commence on or after April 1, 2017, where an Alternative Schedule is not timely adopted as described above and (or) where the Default Schedule is (otherwise) implemented, benefits will be converted to be in compliance with the Default Schedule. The following examples show the effect of the Default Schedule benefit reductions for a Participant whose benefits first commence on or after April 1, 2017.

- An Active Participant's benefit first commences on or after April 1, 2017. He retired at age 56 and did not have 44,500 covered hours but otherwise met the service requirements to receive his subsidized early retirement accrued benefit of \$1,000.00 per month. Upon adoption of any Alternative Schedule or imposition of the Default Schedule his monthly benefit would be reduced to \$387.00 per month (Alternative) or \$381.30 per month (Default).

- A Participant's benefit first commences on or after April 1, 2017. Without the changes in this Rehabilitation Plan, he would have applied to retire on a total and permanent Disability Pension of \$1,000 per month. The Participant has 11 years of total credited service (without 44,500 covered hours). The Participant is advised that they qualify for an actuarially reduced early retirement. If they were age 57 and applied for the reduced early retirement under this Rehabilitation Plan at this time, their \$1,000 pension would be reduced to \$427.10 per month (Alternative) or \$421.10 (Default). However, they could choose to delay their annuity starting date to their Normal Retirement Age (e.g. 65) and receive the unreduced \$1,000 benefit at that time.
- An unmarried Participant died and his beneficiary first began receiving a benefit on or after April 1, 2017 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, each Schedule will reduce or eliminate certain "adjustable benefits" as described on previous pages; however, the level of your benefit payable at your Normal Retirement Age is not reduced.

Benefit Accrual Examples before and after this Update

The following chart summarizes the aggregate off-benefit contributions agreed to, scheduled and implemented, by each Local prior to accounting for the changes from this update.

Summary of Scheduled Off-Benefit Contributions				
Local	11	440	441	477
Ultimate after January 1, 2017 FIP Update ¹	\$2.71	\$2.14	\$2.14	\$2.94

Off-benefit contributions due under all Alternative Schedules are devoted solely to improving the funding status of the Plan. A Participant's benefit accrual for a Plan Credit Year is however instead determined by multiplying the amount of *accruing Employer Contributions* by a percentage factor. The current percentage factor is 1.45% and 1.90% after completion of 42,500 covered hours and 23 Plan Years for work under a collective bargaining agreement requiring contributions to the Plan. Unless otherwise noted, the examples that follow assume a Participant's benefit accrual is at the 1.45% level.

¹ Locals 11 and 477 elected to have their off-benefit contributions increased as provided for in the prior January 27, 2016 Funding Improvement Plan (FIP) Update. In order for a bargaining unit to elect Alternative Schedules 1 or 2 under this Rehabilitation Plan, an off-benefit contribution amount detailed in Alternative Schedule 1 and/or 2 (most of which are from the prior January 27, 2016 FIP update) must also be adopted (if the bargaining unit has not already done so).

Here is an example of how the 1.45% level formula would be applied before implementing the schedules in this Rehabilitation Plan for the case of a Participant who works 1,700 hours in Covered Employment in a Plan Credit Year for an Employer that contributes \$9.03 per hour on his behalf; of which \$6.32 per hour consists of accruing Employer Contributions and therefore accrues a benefit and \$2.71 per hour is Off-benefit and is excluded:

The Participant has a total of \$15,351 contributed on his behalf (1,700 hours x \$9.03 per hour) of which only \$10,744 (1,700 hours x \$6.32 per hour) will accrue a benefit. For this Plan Credit Year, the Participant accrues a monthly benefit of \$155.79 (1.45% of \$10,744). Under this Rehabilitation Plan, the 42,500 covered hours requirement is changed to 44,500 covered hours. Alternative Schedules 1 and 2 maintain or otherwise retain this 1.45%/1.90% of on-benefit current Plan benefit accrual structure. However, the Default Schedule under this Rehabilitation Plan presently does not require additional new off-benefit contributions and accrues at a rate at 1.00% of all contributions (subject to change with future updates). In all cases any previous off-benefit contributions are still required and are only on-benefit while under the Default Schedule (subject to change with future updates).

REHABILITATION PLAN SCHEDULE CHANGES

BENEFIT ACCRUAL CHANGES UNDER DEFAULT

Prospective Benefit Reductions for benefits earned under the Default Schedule

1. For any accruals earned under the Default Schedule under this Rehabilitation Plan, benefits for hours worked after September 28, 2016 or if later the date of implementation of this Schedule are determined as follows:
 - The current Plan's benefit accrual formula (1.45%/1.90%) is replaced with 1.00% of all Employer contributions made on the participant's behalf.
 - Any previously required off-benefit contributions are still required and are included in calculating benefits at the 1.00% rate while accruing benefits under this Default Schedule.

Example for a collective bargaining agreement that switches directly from their Alternative Schedule to the Default Schedule under this Rehabilitation Plan

Using the same example assumptions that appeared previously (the \$9.03 contribution rate, the 1,700 hours worked and the 1.45% accrual rate) following is an example of how the Default Schedule formula would work for an agreement switching from an Alternative Schedule under the prior Funding Improvement Plan to the Default Schedule under this Rehabilitation Plan.

After implementation of the Default Schedule, the Participant has a total of \$15,351 contributed on his behalf (1,700 hours x \$9.03 per hour the entirety of

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
September 28, 2016
Page 11

which accrues benefits while under this Default Schedule). For this Plan Credit Year, the Participant accrues a monthly benefit of \$153.51 (1.0% of \$15,351).

EARLY RETIREMENT PENSION

Current Plan

Under the provisions in place prior to adoption of the Schedules under this Rehabilitation Plan, a participant eligible for early retirement that waits until his age 55 to apply for an Early Retirement Pension would receive his accrued monthly benefit with no reduction for his age. However a Participant who retires prior to Age 55 would receive an actuarial reduction from age 65.

The Early Retirement Pension after age 55 is "subsidized" in that it does not reflect the true cost to the Plan for allowing a Participant to begin receiving pension payments earlier and over a longer timeframe. In essence, the Plan absorbs the cost of providing the Early Retirement Pension and has less available for the remaining participants.

Schedule Changes

Under all Schedules under this Rehabilitation Plan, the Early Retirement reduction formula is changed to reduce or eliminate the cost of the subsidy by the Plan under certain circumstances.

For an Active Participant under an Alternative Schedule who waits to apply for an Early Retirement Pension until after attaining both age 56 and 44,500 covered hours of work (under a collective bargaining agreement requiring contributions to the Plan), there is no reduction for his age at all. Under this circumstance the Participant's benefits remain unchanged.

However for all other Participants (all benefits and accruals under the Default Schedule or if under an Alternative Schedule a Terminated Vested or an Active who does not meet the age 56 and 44,500 covered hours of work requirement) the Plan's current Early Retirement Pension formula for retirements prior to Normal Retirement Age (age 65 in most cases) is replaced with a series of actuarially equivalent factors so that the Early Retirement Pension amount is unsubsidized. This means that under this reduction an Early Retirement Pensioner would receive reduced benefits with the same total economic value as their Normal Pension, regardless of how early they might retire. Their benefit payments are reduced to an actuarial equivalent amount to enable the full economic value of their Normal Retirement benefit to be distributed over a longer timeframe starting with benefit payments prior to Normal Retirement (e.g. age 65). When a Participant retires early under these circumstances it results in no additional cost to the Plan and its remaining Participants for providing this type of Pension.

PARTIAL LISTING OF NEW EARLY RETIREMENT ADJUSTMENT FACTORS

The early retirement reduction for retirements prior to Normal Retirement Age (e.g. age 65) is based on the number of the months that the Participant is younger than his Normal Retirement Age. 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.

Participant's Age	Alternative Schedules		Default Schedule
	Active with at least 44,500 covered hours	Terminated Vested & Active < 44,500 covered hours	
65	100.00%	100.00%	100.00%
64	100.00%	89.25%	89.03%
63	100.00%	79.84%	79.48%
62	100.00%	71.59%	71.12%
61	100.00%	64.32%	63.78%
60	100.00%	57.91%	57.33%
59	100.00%	52.23%	51.63%
58	100.00%	47.19%	46.59%
57	100.00%	42.71%	42.11%
56	100.00%	38.70%	38.13%
55	35.13%	35.13%	34.58%
54	31.92%	31.92%	31.40%
53	29.05%	29.05%	28.56%
52	26.46%	26.46%	26.00%
51	24.13%	24.13%	23.70%
50	22.03%	22.03%	21.63%
49	20.13%	20.13%	19.76%
48	18.41%	18.41%	18.06%
47	16.85%	16.85%	16.53%
46	15.44%	15.44%	15.14%
45	14.15%	14.15%	13.88%
44	12.98%	12.98%	12.73%
43	11.92%	11.92%	11.68%
42	10.95%	10.95%	10.73%
41	10.06%	10.06%	9.86%
40	9.25%	9.25%	9.06%

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
 September 28, 2016
 Page 13

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. The Participant's Normal Retirement Age is assumed to be age 65.

Participant's Age	Alternative Schedules		Default Schedule
	Active with at least 44,500 covered hours	Terminated Vested & Active < 44,500 covered hours	
65	\$1,000.00	\$1,000.00	\$1,000.00
64	\$1,000.00	\$892.50	\$890.30
63	\$1,000.00	\$798.40	\$794.80
62	\$1,000.00	\$715.90	\$711.20
61	\$1,000.00	\$643.20	\$637.80
60	\$1,000.00	\$579.10	\$573.30
59	\$1,000.00	\$522.30	\$516.30
58	\$1,000.00	\$471.90	\$465.90
57	\$1,000.00	\$427.10	\$421.10
56	\$1,000.00	\$387.00	\$381.30
55	\$351.30	\$351.30	\$345.80
54	\$319.20	\$319.20	\$314.00
53	\$290.50	\$290.50	\$285.60
52	\$264.60	\$264.60	\$260.00
51	\$241.30	\$241.30	\$237.00
50	\$220.30	\$220.30	\$216.30
49	\$201.30	\$201.30	\$197.60
48	\$184.10	\$184.10	\$180.60
47	\$168.50	\$168.50	\$165.30
46	\$154.40	\$154.40	\$151.40
45	\$141.50	\$141.50	\$138.80
44	\$129.80	\$129.80	\$127.30
43	\$119.20	\$119.20	\$116.80
42	\$109.50	\$109.50	\$107.30
41	\$100.60	\$100.60	\$98.60
40	\$92.50	\$92.50	\$90.60

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
September 28, 2016
Page 14

Following are Early Retirement Examples. For the sake of simplicity, it is assumed that each participant is unmarried and elects benefits in the normal form of payment. For benefits under the Default Schedule, the normal form of payment for an unmarried participant is the Single Life Annuity without any guaranteed payments after death, under an Alternative Schedule the normal form of payment for an unmarried participant is a Single Life Annuity with 5 years of payments guaranteed from commencement in case of death (generally referred to as a 5 year certain and life form of payment). Other forms of payment may be available depending on marital status and whether the benefit is payable under the Default or Alternative Schedules.

Early Retirement Example A:

As of September 28, 2016 Jim has an accrued monthly benefit of \$939.10 that is under the Default Schedule and \$1,907.85 that is under Alternative Schedule 1(d). Jim's total hours under the Plan are 43,000 and he is age 58. After September 28, 2016, Jim accrues 1,000 hours additional under this Plan's Default Schedule at an hourly contribution rate of \$6.09. Jim also works under Alternative Schedule 1(d) under this Plan for 1,000 hours at a total contribution rate of \$7.84 where \$4.85 is accruing/on-benefit.

Under the Default Schedule, Jim accrues benefits at 1% (of all the $\$6.09 \times 1,000$ hours = \$6,090 in contributions) for a new accrual under the Default Schedule of $1\% \times \$6.09 \times 1,000$ hours = \$60.90. Jim's total benefit under the default schedule consists of \$60.90 in new accruals and \$939.10 in past accruals for a total monthly benefit of \$1,000.00 under the Default Schedule.

Jim works 1,000 additional hours of service under Alternative Schedule 1(d) at an hourly contribution rate of \$7.84 where \$4.85 is on-benefit. Assuming Jim meets the Plan's requirements for the 1.90% accrual rate, his new accrual under Alternative Schedule 1(d) is $1.90\% \times 1,000$ hours \times \$4.85 = \$92.15. Jim's total benefit under Alternative Schedule 1(d) is now \$92.15 in new accruals and \$1,907.85 in past accruals for a total monthly benefit of \$2,000.00 under Alternative Schedule 1(d).

Jim previously had 43,000 hours and after including his additional 1,000 hours under the Default Schedule and 1,000 additional hours under Alternative Schedule 1(d), his total hours are now 45,000. Jim turns age 59 while still an Active Participant and qualifies for and considers retirement under Early Retirement. His \$1,000.00 earned under the Default Schedule if taken early would be reduced to \$516.30 and his \$2,000 earned under Alternative Schedule 1(d) would be unreduced if taken early.

Jim's \$2,000 Alternate Schedule benefit and \$1,000 Default Schedule benefit are distinct and separate benefits. Rather than choosing to receive his Default Schedule benefit now in the amount of \$516.30, he chooses to defer it to his age 65 Normal Retirement Age and receives it six years later at age 65 in the amount of \$1,000 payable as a single life annuity without any guaranteed benefits after death.

However, Jim chooses to receive his \$2,000 Alternative Schedule benefit early unreduced without any delay at his age 59 payable in the single life annuity form with payments guaranteed for 5 years from commencement in case of death.

Prior to the changes in this Rehabilitation Plan, Jim's entire benefit would have been unreduced as well; his \$1,000 annuity under the Default Schedule would have remained unreduced at \$1,000 payable early without delay at age 59 along with his Alternative Schedule \$2,000 benefit.

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
September 28, 2016
Page 15

Early Retirement Example B:

Steve has the exact same circumstances as Jim except that he is age 48 with the exact same benefits, hours and new accruals as Jim. Steve looks into retiring early at age 48 with the \$1,000 benefit earned under the Default Schedule and the \$2,000 benefit under Alternative Schedule 1(d). Steve's \$1,000 benefit under the Default Schedule would be reduced to \$180.60 payable in the single life annuity form of payment (no guaranteed payments after death). Steve's \$2,000 benefit would be reduced to \$368.20 payable with 5 years of benefits guaranteed from commencement in case of death.

Steve's benefits would be the exact same prior to the changes in this Rehabilitation Plan. The prior benefit structure provided the same reductions for a Participant Retiring under Early Retirement at age 48. After researching his options, Steve elects to defer receiving his benefit until age 65 when it will be unreduced, payable in the full \$1,000 and \$2,000 amounts.

Early Retirement Example C:

Edward has the exact same circumstances and benefit amounts as Jim except that he is also age 48 and when Edward earns the \$1,000 Default Schedule Benefit and the \$2,000 Alternative Schedule Benefit, he terminates employment at age 48 and does not choose to retire. Edward rather decides long after April 1, 2017 to retire twelve years later at age 60. Assuming the benefit structure under this Rehabilitation Plan is still in place, Edward's \$1,000 Default Schedule Benefit is reduced to \$573.30 payable in the single life annuity form of benefit. Edward's \$2,000 Alternative Schedule benefit is reduced because he is not an Active employee. His \$2,000 benefit is reduced to \$1,158.20 payable with 5 years of benefits guaranteed from commencement in case of death. Alternatively Edward can choose to delay receiving his benefit until age 65 when it will be unreduced and payable in the full \$1,000 and \$2,000 amounts.

Prior to the changes in this Rehabilitation Plan Edward's benefits, the most recent Plan Provisions would have reduced the benefits at a rate of 0.4% per month prior to Normal Retirement Age (e.g. age 65). Under the \$1,000 would have been reduced (for 5 years from 65 down to 60 at 0.4% per year) to \$760 payable in the single life annuity form of payment and the \$2,000 would have been similarly reduced to \$1,520 payable in the 5 year certain and life guarantee form of payment.

Early Retirement Example D:

Bill has the exact same circumstances as Jim (45,000 hours and age 59) except he retires as an Active Participant after April 1, 2017. Furthermore Bill retires after his bargaining unit switches to the Default Schedule. After timely notification prior to Bill's retirement, his bargaining unit elected to switch to the Default Schedule placing all of his \$2,000 benefit under the Default Schedule. Bill's total benefit under the Default Schedule is the \$2,000 and the \$1,000 for a total of \$3,000. Bill then looks into retiring early at age 59 under the Default Schedule. Under the Default Schedule, his entire \$3,000 benefit would be reduced to \$1548.90 payable in the single life annuity form of benefit without guaranteed benefits after death. Bill instead chooses to defer his annuity to age 65 when his benefit will be payable unreduced in the full \$3,000 amount.

Without the changes in this Rehabilitation Plan and the switch to the Default Schedule, Bill's benefits would have been unreduced and payable in the amounts of \$2,000 payable in the 5 year certain and life guarantee form and \$1,000 payable in the single life form without guarantee.

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
September 28, 2016
Page 16

Early Retirement Example E:

Dave has the exact same circumstances as Jim (45,000 hours and age 59) except he terminates at age 59 and bides his time waiting to retire at his normal retirement age of 65. Dave's benefits are entirely unreduced at age 65 and are payable in the amounts of \$2,000 under Alternative Schedule 1(d) payable in the 5 year guarantee form and \$1,000 payable under the Default Schedule in the Single Life form without guaranteed benefits.

Dave's benefits prior to this Rehabilitation Plan would have been the exact same.

DISABILITY PENSION

Current Plan *(for benefits not earned under the prior Default Schedule)*

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

Schedule Changes

The disability pension benefits were historically removed for benefits earned under past default Schedules.

For benefits where the Disability Pensions were not already removed, all schedules upon implementation will entirely eliminate both Disability Pensions for disability benefits first commencing on and after April 1, 2017. Participants will otherwise be able to elect another benefit once they become eligible (e.g. the Normal or Early Retirement pensions).

120 MONTH PRE-RETIREMENT DEATH BENEFIT

Under All Schedules, the Plan is legally required to maintain no less than a 50% Qualified Pre-Retirement Survivor Annuity for Married Participants. Schedules removing the 120 Month Pre-Retirement Death Benefit would not remove such death benefits that are required by law for the Plan to maintain.

Current Plan *(for benefits not earned under the prior Default Schedule)*

For benefits not earned under the Plan's previous historical default schedule, 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

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
September 28, 2016
Page 17

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 adjusted per provisions in the Plan Document and 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.

Default Schedule

For benefits previously earned under the prior default schedule, the 120 Month Pre-Retirement Death Benefit was eliminated.

For bargaining agreements switching to the Default Schedule, the 120 Month Pre-Retirement Death Benefit is eliminated upon implementation for all benefits not in pay status on or after April 1, 2017.

JOINT-AND-SURVIVOR PENSIONS

Current Plan *(for benefits not earned under the prior Default Schedule)*

The following description is for current plan benefits that were not previously earned under the Plan's prior Default Schedule. 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.

The Joint-and-Survivor Pensions each have 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.

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
 September 28, 2016
 Page 18

Default Schedule

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 after implementation of the Default Schedule.

JOINT-AND-SURVIVOR PENSION FACTORS AT SELECTED AGES

Form of Joint-and-Survivor Pension	Current Plan	Alternative Schedules	Default Schedule
50% Joint-and-Survivor Pension <ul style="list-style-type: none"> • Both age 63 • Both age 60 • Both age 56 	90.6% 90.8% 91.3%	90.6% 90.8% 91.3%	88.7% 89.5% 90.5%
66 2/3% Joint-and-Survivor Pension <ul style="list-style-type: none"> • Both age 63 • Both age 60 • Both age 56 	87.3% 87.7% 88.5%	87.3% 87.7% 88.5%	Not Available
75% Joint-and-Survivor Pension <ul style="list-style-type: none"> • Both age 63 • Both age 60 • Both age 56 	85.7% 86.3% 87.2%	85.7% 86.3% 87.2%	84.0% 85.1% 86.4%
100% Joint-and-Survivor Pension <ul style="list-style-type: none"> • Both age 63 • Both age 60 • Both age 56 	81.4% 82.2% 83.4%	81.4% 82.2% 83.4%	Not Available

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
 September 28, 2016
 Page 19

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 after any reduction for retirement prior to normal retirement age, but 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

Form of Joint-and-Survivor Pension	Current Plan	Alternative Schedules	Default Schedule
50% Joint-and-Survivor Pension <ul style="list-style-type: none"> • Both age 63 • Both age 60 • Both age 56 	\$906.00 \$908.00 \$913.00	\$906.00 \$908.00 \$913.00	\$887.00 \$895.00 \$905.00
66 2/3% Joint-and-Survivor Pension <ul style="list-style-type: none"> • Both age 63 • Both age 60 • Both age 56 	\$873.00 \$877.00 \$885.00	\$873.00 \$877.00 \$885.00	Not Available
75% Joint-and-Survivor Pension <ul style="list-style-type: none"> • Both age 63 • Both age 60 • Both age 56 	\$857.00 \$863.00 \$872.00	\$857.00 \$863.00 \$872.00	\$840.00 \$851.00 \$864.00
100% Joint-and-Survivor Pension <ul style="list-style-type: none"> • Both age 63 • Both age 60 • Both age 56 	\$814.00 \$822.00 \$834.00	\$814.00 \$822.00 \$834.00	Not Available

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
September 28, 2016
Page 20

FIVE-YEAR GUARANTEE OR CERTAIN FEATURE

Current Plan *(for benefits not earned under the prior Default Schedule)*

The following description is for current plan benefits that were not previously earned under the Plan's prior Default Schedule. 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.

Default Schedule

For benefits previously earned under the Plan's prior Default Schedule, the Five-Year and Ten-Year Guarantee or Certain features were removed.

While both the Five-Year and Ten-Year Guarantee or Certain features are unchanged under this Rehabilitation Plan's Alternative Schedules, they are eliminated for bargaining parties changing to the Default Schedule upon implementation for benefits first commencing on and after April 1, 2017.

SOCIAL SECURITY LEVEL INCOME OPTION

Current Plan

The Social Security Level Income form of payment was historically removed and continues to no longer be available.

ADDITIONAL INFORMATION AND RIGHTS UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (ERISA)

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:

Ms. Joanne Keller, Administrator
Southern California IBEW-NECA Trust Funds
P.O. Box 910918
Los Angeles, CA 90091
Phone: (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.

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
September 28, 2016
Page 22

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.

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
September 28, 2016
Page 23

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.

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
September 28, 2016
Page 24

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

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.	
120-Payment Pre-Retirement Death Benefit	120 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% continuation of Participant’s monthly benefit. Not available for benefits earned under historical default schedule.	Same as current plan	Not available
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	Current factor is further reduced to account for removal of 60 guaranteed payments

SOUTHERN CALIFORNIA IBEW – NECA PENSION PLAN REHABILITATION PLAN

For Plan Year Beginning July 1, 2016

Introduction

The Pension Protection Act of 2006 (“PPA”) as amended, requires the Trustees of a multiemployer pension plan that have elected critical status after being certified by the plan's actuary as being projected in Critical status (also known as "Red Zone" status) to develop a Rehabilitation Plan (“RP”). An RP must prescribe actions, including recommended actions to be taken by the bargaining parties that are expected to enable a plan to meet stated financial benchmarks by the end of the Rehabilitation Plan Period, based on reasonably anticipated experience and on reasonable actuarial assumptions. The Southern California IBEW-NECA Pension Plan (“Plan”) was certified by its Actuary on September 28, 2016 to be projected to be in critical status for the Plan Year beginning July 1, 2018, pursuant to IRC Section 432(b)(3). Pursuant to IRC Section 432(b)(4) on September 28, 2016 the Trustees elected for the Plan to be in critical status effective July 1, 2016.

This Rehabilitation Plan:

1. Specifies the rehabilitation period and the expected emergence date;
2. Includes 3 schedules (Default Schedule and 2 Alternative Schedules) of benefit changes and non-benefit contribution changes that will be provided to the bargaining parties, one of which must be implemented as part of future collective bargaining agreements between Local Unions and contributing employers entered into or renewed after September 28, 2016, nothing prevents an employer and Union from agreeing to implement a particular schedule prior to the expiration of a “collective bargaining agreement”;
3. Provides requirements for meeting the requirements of the Rehabilitation Plan and describes how the Rehabilitation Plan will be updated from time to time; and
4. Describes how the Default Schedule will be automatically implemented if there is no agreement between the bargaining parties in a timely manner.

Rehabilitation Plan Period

The Rehabilitation Plan Period for the Plan is the period of 10 Plan Years beginning July 1, 2019.

The Trustees also determined, based on information about the expiration of current collective bargaining agreements, that the Rehabilitation Period will begin on July 1, 2019. The Fund is expected to emerge from Critical Status by July 1, 2029, based on reasonable assumptions and implementation of this Rehabilitation Plan.

If the Fund Actuary certifies before the end of this period that the Plan is no longer in Critical status for a Plan year, the Rehabilitation Plan Period will end as of the close of the preceding Plan year.

SOUTHERN CALIFORNIA IBEW – NECA PENSION PLAN REHABILITATION PLAN

For Plan Year Beginning July 1, 2016
(Continued)

Schedules

Based on the projected credit balances calculated for purposes of the Plan Actuary's certification the Plan would be in Critical status on July 1, 2018. The RP must contain schedules of plan changes and/or contribution rate changes that are projected to enable the credit balances to be positive by the end of the Rehabilitation Plan Period. Pursuant to the PPA an RP must include a proposed "default schedule" that identifies the necessary reductions in the amount of future benefit accruals and reduction in adjustable benefits necessary to achieve the applicable benchmarks, assuming no collective bargaining agreement increases contributions to the plan (other than contributions necessary to achieve the benchmark after amendments have reduced future benefit accruals and adjustable benefits to the maximum extent permitted by law). This schedule has been prepared and is set forth below in the Default Schedule of this RP.

An RP may also provide proposed schedules providing increases in contributions necessary to achieve the applicable benchmark, assuming lesser reductions. These schedules have been prepared and are set forth below in Alternative Schedules 1 through 2 of this RP. Projections by the Fund Actuary, which were based on reasonable assumptions, indicate that the benchmark will be achieved by increasing the contribution rate by between \$0.76 and \$1.37 an hour depending upon the effective date. Unless otherwise specified, these additional contributions would result in no benefit accrual, would be devoted solely to improving the funding of the Plan and would cease at the later of emergence from Critical Status or upon action by the Board of Trustees.

The Board of Trustees has determined alternative schedules addressing contribution rates and benefit reductions that need to be provided to the bargaining parties as set forth in Schedules 1 through 2 below.

Implementation of Remedies & Schedules

The current monthly benefit of pensioners and beneficiaries whose actual pension benefit commenced prior to April 1, 2017 are not subject to reduction under this Rehabilitation Plan. Benefits for other participants and deferred benefits of all Participants are determined as follows:

All participants who terminated or will terminate covered employment prior to becoming covered by a Schedule in the Collective Bargaining process, and not in pay status as of March 31, 2017, and any deferred benefit of all Participants, shall have their benefits determined based on the benefit changes described under the applicable Schedule upon implementation of the applicable Schedule to their former bargaining unit. To the extent provided under the implemented Schedule the benefits of a Participant who commenced benefits under the current Plan on or after April 1, 2017, and any deferred benefit of all participants, shall, to the extent required by the applicable Schedule, see their benefits reduced in accord with the applicable Schedule. These provisions shall take effect on the later of the date the applicable Schedule is implemented for the Participant's former bargaining unit or the date that benefits can be eliminated allowing for legally required advanced notice.

As with any Schedule the Default Schedule is implemented upon adoption by the Collective Bargaining Parties as the applicable Schedule for a particular bargaining unit. However, should the bargaining parties fail to elect any Schedule within 180 days following the expiration date of a collective bargaining agreement in effect as of September 28, 2016 the Board of Trustees are required by law to unilaterally implement the Default Schedule for that particular bargaining unit.

SOUTHERN CALIFORNIA IBEW – NECA PENSION PLAN REHABILITATION PLAN

For Plan Year Beginning July 1, 2016
(Continued)

For non-bargaining unit employee Participants employed by employers who also contribute on behalf of bargaining unit Participants the Schedule and implementation date is the same as the Schedule and implementation date for that employer's bargaining unit employees. For non-bargaining unit employee participants not employed by an employer that contributes pursuant to a collective bargaining agreement their implementation date is the earlier of the employer's adoption of a Schedule or 180 days from July 1, 2017.

Reciprocity and other issues under the Rehabilitation Plan and Critical Status determination.

Off-benefit contributions payable under the Schedules result in no benefit accruals and are devoted solely to improving the funding status of the Plan. The same is true in terms of any employer surcharge contributions received or payable for periods prior to the collective bargaining parties' adoption and implementation of a Rehabilitation Plan Schedule. Accordingly, 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 prior and future increased off-benefit contributions under any Alternative Schedule and all employer surcharge contributions remain in this Plan for funding purposes only. Only on-benefit contributions (both prior and future) received will be transferred.

The benefits of an Alternative Schedule are available only for work performed under a Collective Bargaining Agreement or Subscription Agreement which specifically adopts the Alternative Schedule. When a Participant works outside the jurisdiction of this Plan, the individual, absent an extraordinary agreement, is not working under an agreement which adopts an Alternative Schedule. When such a Participant reciprocates contributions to this Plan pursuant to the money-follows-the-person Reciprocity Agreement for work performed outside of this Plan's jurisdiction, it must be credited to the Default Schedule absent an extraordinary agreement by the employer to adopt an Alternative Schedule for such work.

Some individuals who never become vested in benefits under this Plan may be entitled to a pro-rata Pension from this Plan due to pro-rata Reciprocity Agreements. The pro-rata Pension of such a non-vested individual shall be calculated and paid pursuant to the Default Schedule except to the extent of Covered Hours under an Alternative Schedule which shall accrue benefits in accord with the Alternative Schedule under which the Covered Hours were worked.

If a Participant works under a particular Schedule and subsequently works under another Schedule benefits accrued during the first period of employment and for prior periods under the same collective bargaining agreement, will be determined under the applicable Schedule and benefits accrued during employment under a second Schedule shall 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.

In the event that a particular Schedule is implemented for an employer, and then that employer, in a subsequent negotiation, bargains a different Schedule, the Trustees may develop a revised contribution Schedule for that particular situation.

SOUTHERN CALIFORNIA IBEW – NECA PENSION PLAN REHABILITATION PLAN

For Plan Year Beginning July 1, 2016
(Continued)

Rules During the Rehabilitation Period and Adoption of the Rehabilitation Plan

On and after September 28, 2016, the Board of Trustees may not accept a collective bargaining agreement or participation agreement that provides for: (a) lower contributions for any participants; (b) a further suspension of contributions with respect to any period of service; or (c) any new direct or indirect exclusion of younger or newly hired employees from plan participation. During the plan adoption period, the trustees may not amend the plan in any way that increases plan liabilities by reason of an increase in benefits, change in accruals, or change in the vesting rate, unless the amendment is necessary to maintain the plan's qualified status.

Once the RP has been adopted, the Plan may not be amended in a manner that is inconsistent with the RP. In addition, the Plan may not be amended to increase benefits, including future benefit accruals, unless the Fund Actuary certifies that the benefit increase is consistent with the RP and is paid for out of contributions not required by the Rehabilitation Plan to meet the applicable benchmark.

Based on reasonable assumptions, the Fund is expected to emerge from Critical Status by the Plan Year beginning July 1, 2029. The Trustees recognize the possibility that actual experience could be less favorable than the reasonable assumptions. Therefore, the Trustees are establishing the annual standard for the projected credit balances for each year of the Rehabilitation Period to remain positive which will allow for the Plan to reflect possible actuarial losses and still help keep the Fund on target to emerge from Critical Status by the end of the Rehabilitation Period.

Annual Updating of RP

Each year the Fund's Actuary will review and certify the status of the Fund under the PPA funding rules and whether the Fund is or is not making the scheduled progress toward the requirements of the RP. To that end, the scheduled progress under this RP is for the projected credit balances for each year of the Rehabilitation Period to remain positive. If the Board of Trustees determines that it is necessary in light of updated information they will revise the RP and the schedules recommended under it. Notwithstanding subsequent changes in contribution schedules, a schedule of contribution rates provided by the Board of Trustees and relied upon by the bargaining parties in negotiating a collective bargaining agreement shall remain in effect for the duration of that collective bargaining agreement. However, a collective bargaining agreement that is renewed or extended will need to include terms consistent with one of the Schedules in effect at the time of the renewal or extension. A failure to timely adopt such an updated Schedule will require the Board of Trustees to unilaterally implement the updated version of the Schedule applied 180 days subsequent to the expiration of the Collective Bargaining Agreement.

Other Issues

Benefit changes will become effective pursuant to the terms of the Rehabilitation Plan as soon as legally permissible after a Rehabilitation Plan Schedule is adopted or implemented and those benefit changes are expected to be permanent, as required by the PPA for benefits commencing on or after April 1, 2017. The Social Security Level Income form of payment continues to no longer be available.

Chair and Secretary hereby execute this Rehabilitation Plan in accord with a motion duly adopted by the Board of Trustees of the Southern California IBEW-NECA Pension Plan.


Chairman


Secretary

Date: September 28, 2016

Date: September 28, 2016

DEFAULT SCHEDULE FOR BENEFITS COMMENCING ON AND AFTER THE EARLIEST IMPLEMENTATION OF THIS DEFAULT SCHEDULE

Benefit Changes

- Notwithstanding anything to the contrary in this Rehabilitation Plan, with respect to hours worked after the date of implementation of this Schedule, the benefit accrual rate becomes 1.00% of all Default Schedule contributions for hours worked by the Participant.
- The disability benefits were previously eliminated for all accruals under the Plan's current or historical Default Schedules and are otherwise removed for any participants who are not in pay status as a disabled participant as of March 31, 2017.
- The subsidy for the Early Retirement Pension for all accruals under the Plan's current or historical Default Schedules (which began as early as October 28, 2009) are eliminated. Any Early Retirement benefits earned under this Default Schedule are otherwise based on actuarial reductions from Normal Retirement Age (age 65) for any participants who are not in pay status as of March 31, 2017.
- The 60-month guarantee period is eliminated for all accruals under the Plan's current or historical Default Schedules and is otherwise removed for benefits not in pay status as of March 31, 2017.
- The Pre-Retirement 120-month guarantee period for the Death Benefit is eliminated for Participant benefits accrued under any of the Plan's current or historical Default Schedules and is otherwise removed for benefits not in pay status as of March 31, 2017.

The only forms of benefit payment available to a retiring participant commencing receipt of benefits accrued under the Plan's current or historical Default Schedules shall be a single life annuity with no guarantee period, the 50% Joint-and-Survivor Pension, and the 75% Joint-and-Survivor Pension. The reduction factors for the Joint-and-Survivor payment forms will be adjusted so as to be actuarially equivalent to a single life annuity with no guarantee period.

Contributions

Employer contribution rate levels shall not increase. If an existing Agreement calls for different rates for apprentices or other classifications than the journeyman rate that practice may continue under this Default Schedule.

ALTERNATIVE SCHEDULE 1

Benefit Changes

- The disability benefits are eliminated for any participants who are not in pay status as a disabled participant as of March 31, 2017.
- The subsidy for the Early Retirement Pension for all Terminated Vested Participants is eliminated. The subsidy for the Early Retirement Pension is eliminated for any Active Participants retiring prior to attaining both age 56 and 44,500 hours. The benefit is otherwise based on actuarial reductions from Normal Retirement Age (age 65) for any participants who are not in pay status as of March 31, 2017.

Contributions

All prior non-accruing contributions continue to be non-accruing. This Rehabilitation Plan Alternative Schedule I requires one of the Contribution Increase Schedules below to be adopted. The majority of the schedules below come from and could have been implemented with the Plan's January 27, 2016 Funding Improvement Plan (FIP) Update. The rate increases are non-accruing and solely serve to improve the funding of the Plan. If one of the following rate increase schedules has already been implemented in line with the January 27, 2016 FIP Update, it does not need to be implemented in duplicate.

Alternative	Contribution Increase per Hour Worked	Increase(s) Effective on and after the Following Date(s)
(a)	single increase of \$0.76	February 1, 2016
(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
(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
(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

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.

ALTERNATIVE SCHEDULE 2

Benefit Changes

The benefit changes under this Alternative Schedule are identical to those in Alternative Schedule 1 of this Rehabilitation Plan with the addition of the following provisions:

Participants in this Plan 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 reciprocal contributions are made on behalf of a Participant to this Defined Contribution Plan shall constitute a portion of a 'Grace Period' of such a Participant under that Plan.

Contributions

Contribution changes under this scenario are identical to Alternative Schedule 1 within this Rehabilitation Plan with the exception of requiring an additional \$0.01 effective from July 1, 2017 through June 30, 2021.

**AMENDMENT NO. 4 TO THE PLAN OF THE
SOUTHERN CALIFORNIA IBEW-NECA PENSION FUND**

Pursuant to Section 10.1 of the Plan, the Board of Trustees may amend the Plan. Upon adoption, copies of this Plan Amendment shall be distributed as provided for in Section 10.3 of the Plan.

The Board of Trustees has determined that a more uniform approach to month to month suspension of early retirement benefits for post retirement employment with construction industry employers is warranted. Nothing in this Plan Amendment shall be construed to diminish or curtail the length of suspension or loss of early retirement benefits for engaging in Non-Covered Electrical Employment or any other suspendible employment.

NOW THEREFORE the Plan is amended as follows:

(1) Section 9.7(b)(2) is hereby amended by adding a new sub-section (xviii) to read as follows:


“(xviii) In addition to all pre-existing limitations of the Plan as to pre Normal Retirement Age employment by Pensioners, all benefits accrued on and after January 1, 2017 shall be suspended for any month in which a pre Normal Retirement Age Pensioner is employed in any position by a contractor that holds, or is required to hold, any active license subject to the California Contractors State License Board or the comparable authority of any state, territory, locality or foreign country. In addition to all pre-existing limitations of the Plan as to pre Normal Retirement Age employment by Pensioners, all benefits accrued on and after January 1, 2017 shall also be suspended for any month in which a pre Normal Retirement Age Pensioner is employed in any position with a construction management firm, architectural firm, engineering firm or developer regardless of license status.”

(2) All other provisions, terms and conditions of the Plan shall remain in full force and effect and are ongoing.

This Plan Amendment was authorized by action of the Board of Trustees and is executed this 13th day of September, 2016 at Commerce, California.

Board of Trustees
Southern California IBEW-NECA Pension Fund

By: 
Chairman – Marvin Kropke

By: 
Secretary – Jim Willson

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: September 28, 2016

RE: Changes to Pre Normal Retirement Age Suspension of Benefits Plan Rules

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, unless you earn accruals after January 1, 2017 the benefit changes described in this notice do not apply to you.

On September 13, 2016, the Board of Trustees of the Southern California IBEW-NECA Pension Plan executed Amendment 4 to the January 1, 2015 restatement of the Southern California IBEW-NECA Pension Plan.

This amendment expands upon the Plan's listing of circumstances of employment that would cause Pre Normal Retirement Age monthly pension payments to be suspended. This notice which is required by law to be sent to you summarizes the changes in this amendment.

BACKGROUND

- This notice deals with Section 9.7(b) of the Pension Plan Document.
- Section 9.7(b)(1) of the Plan Document explains that a Pensioner's performing *certain activities (as listed in 9.7(b)(2) of the Plan Document)* prior to their attainment of Normal Retirement Age will cause some or all of their monthly pension benefit to be suspended, or in other words, would cause some or all of their retirement benefits to cease payment until certain requirements defined in the Plan Document are met.
- This notice describes an addition to the list of the "certain activities" that would cause their monthly pension benefits to be suspended to the extent permitted by regulations.
- The recent amendment makes it more restrictive for participants receiving benefits Pre Normal Retirement Age to take part in "certain activities" without a suspension of benefits.

BENEFIT CHANGES & EXAMPLES

The amendment to the Plan Document that this notice summarizes expands the defined list of certain activities listed in Section 9.7(b)(2) of the Plan Document that when a Pensioner, Pre Normal Retirement Age, participates in any such activity, would cause some or all of their benefits to be suspended, or in other words some or all of their benefits would cease to be paid until certain requirements described in the Plan Document are met.

“Pursuant to Plan sections 9.7(b)(1) and 9.7(b)(2) pensioners who have not attained “Normal Retirement Age” (typically age 65), will have some or all of their monthly benefit suspended for engaging in specific activities and/or employment. These activities and employment include but are not limited to Suspendible Employment. (See the summary Plan Description at pages 26 through 29.)

The Trustees are amending the Plan to provide certain work for any participants will result in suspension of benefits accrued on and after January 1, 2017 for all pre-Normal Retirement Age pensioners. This change is in addition to and not in place of the suspensions already set forth in the Plan.

A copy of the Plan Amendment is enclosed. Pursuant to the Amendment any employment with a licensed contractor, an entity required to be licensed as a contractor or with construction management firm, architectural firm, engineering firm or developer regardless of license status, will result in suspensions of benefits accrued on and after January 1, 2017, in addition to applicable pre-existing suspension provisions.

EXAMPLE

The following example shows how the amendment impacts an early retiree Bob, who has no post January 1, 2017 accruals and early retiree Sam who has such accruals.

Bob already had accrued a \$886 benefit prior by July 1, 2015 and then prior to January 1, 2017 worked an additional 1,500 hours, at an accruing on-benefit rate of \$4.00 per hour, under the Plan's 1.90% benefit formula. His accrual under the new Plan Provisions would be $(1,500 \times 4 \times .0190) = \114 . Bob is age 55 and has 44,500 hours and otherwise qualifies for an early unreduced pension. Bob retires transitioning from the status of an active participant on February 1, 2017 with a total accrued monthly benefit of \$1,000.

Sam already had accrued a \$886 benefit prior by July 1, 2017 and then after to January 1, 2017 worked an additional 1,500 hours, at an accruing on-benefit rate of \$4.00 per hour, under the Plan's 1.90% benefit formula. His accrual under the new Plan Provisions would also be $(1,500 \times 4 \times .0190) = \114 . Sam is age 56 and has 44,500 hours and otherwise qualifies for an early unreduced pension. Sam retires transitioning from the status of an active participant on February 1, 2018 with a total accrued monthly benefit of \$1,000.

Both Bob and Sam are receiving monthly pensions of \$1,000 and are age 58 as of January 1, 2020. At this time, both work for “Plumbing Contractor A”. Assume the work is not subject to suspension under any pre-existing provision of the Plan but that it is subject to suspension for accruals on or after January 1, 2017. Bob would continue to receive his full \$1,000 benefit. However Sam accrued \$114 of his \$1,000 benefit on or after January 1, 2017. \$114 of Sam's benefit will be suspended however he will continue to

All Plan Participants
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QDRO Alternate Payees
Employers Obligated to Contribute
Local Unions Representing Plan Participants
Secretary of Labor
Pension Benefit Guaranty Corporation
September 28, 2016
Page 3

receive \$886 which was accrued prior to January 1, 2017 and is not subject to suspension under the new provisions of the Plan.

ADDITIONAL INFORMATION AND RIGHTS UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (ERISA)

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:

Ms. Joanne Keller, 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.

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
September 28, 2016
Page 4

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.

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
September 28, 2016
Page 5

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.

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Beneficiaries Receiving Benefit Payments
QDRO Alternate Payees
Employers Obligated to Contribute
Local Unions Representing Plan Participants
Secretary of Labor
Pension Benefit Guaranty Corporation
September 28, 2016
Page 6

- 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.

AS REQUIRED BY LAW, THIS NOTICE IS ALSO BEING PROVIDED TO THE PENSION BENEFIT GUARANTY CORPORATION (PBGC) AND THE SECRETARY OF LABOR (DOL).