# NOTICE OF CRITICAL STATUS
# FOR
# ELECTRICIANS PENSION PLAN, IBEW 995

**EIN: 72-6057089** **Plan No. 001**

***To: Participants, Beneficiaries, Participating Unions and Contributing Employers***
***Date: January 19, 2011***
***RE: Critical Status of the Plan for the 2010 Plan Year***

As required under the Internal Revenue Code, on December 27, 2008 and December 29, 2009, the Plan's actuary determined and certified that the Electricians Pension Plan, IBEW 995 ("Plan") was in "critical" status for the 2008 and 2009 Plan Years, of which you were notified on January 26, 2009 and January 28, 2010. The Plan's actuary formally reviewed the status of the Plan's financial health for the 2010 Plan Year and again certified on December 29, 2010 that the Plan continues to be in critical status for the 2010 Plan Year. This determination was made because the Plan was in critical status for 2009 and is projected to have a funding deficiency within the next 10 years. This is the third Plan Year the Plan has been in critical status.

## Rehabilitation Plan and Plan Changes

As previously explained, the "Rehabilitation Plan," which is designed to restore the financial health of the Plan, was adopted by the Board of Trustees on February 11, 2009 and subsequently adopted by the bargaining parties. In accordance with the Internal Revenue Code, on March 27, 2009, a Notice of Adjustment to Benefits Due to Critical Status was sent to you explaining the changes to the Plan as mandated under the Rehabilitation Plan. These changes generally apply to Participants whose benefit commencement date is on or after February 1, 2009. The changes include a change in the benefit level for future accruals, a reduction in early retirement pensions, a change in eligibility for a disability pension, modifications in the rules for how Excess Future Service Credits are used for eligibility and the determination of benefits, and elimination of subsidies in the Husband-and-Wife Pension and the Pre-Retirement Surviving Spouse Pension. For Participants who began receiving benefits after February 1, 2009 but prior to the date the Notice was distributed, their benefits were adjusted beginning May 1, 2009. The Pension Plan also eliminated lump sum payments effective January 26, 2009, which is prohibited while the Plan is in critical status. However, a lump sum death benefit is available to a Participant's Qualified Spouse if the value is not in excess of $5,000. In addition, beneficiaries of active Participants who die prior to retirement and are either unmarried or married for less than 1 year are eligible to receive a lump sum death benefit up to $5,000.

## Adjustable Benefits

In addition to these recent changes to the Plan's formula for future benefit accruals, the law permits pension plans in critical status to make similar changes to future benefits and to reduce, or even eliminate, benefits called "adjustable benefits". The Plan offers the following adjustable benefits that may be reduced or eliminated as part of an amendment to the Rehabilitation Plan:

Disability benefits (if not yet in pay status),

Early retirement benefit or retirement-type subsidy, and

Use of Excess Future Service Credits for active participants at retirement to offset early retirement reductions.

However, no reduction of adjustable benefits will reduce the level of your basic benefit payable at normal retirement. In the event additional benefit reductions are necessary and the Rehabilitation Plan is amended, you will be notified in a separate notice of any additional changes or reductions, and provided an explanation of the effect of those reductions. In addition, these additional reductions may only apply to Participants and beneficiaries whose benefit commencement date is no earlier than January 26, 2009.

## Where to Get More Information

Since the law requires that the Plan's funding status be reviewed and certified annually, notices like this one will be sent each year if the Plan is in critical status. The Trustees will timely notify you of any other changes that may be made to the Plan to ensure the Plan's financial stability. If you have any questions about this notice or any previous notices sent about these changes, please contact:

Electricians Pension Plan, IBEW 995
Mr. Ricky Russell
8111 Tom Drive
Baton Rouge, LA 70815
Telephone: 225-927-6340
Toll-Free Telephone: 800-324-0995

We understand that legally required notices like this one can create concern about the Plan's future. The Board of Trustees is working with the Union and the Contributing Employers toward taking appropriate actions to improve the financial health of the Plan so that your retirement benefits are secure into the future.

Sincerely,

Board of Trustees

cc: Department of Labor
Pension Benefit Guaranty Corporation

ANNUAL FUNDING NOTICE

For
Electricians Pension Plan, IBEW 995

Introduction

This notice includes important funding information about your pension plan ("the Plan"). This notice also provides a summary of federal rules governing multiemployer plans in reorganization and insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. This notice is for the plan year beginning October 1, 2009 and ending September 30, 2010 ("Plan Year").

Funded Percentage

The funded percentage of a plan is a measure of how well that plan is funded. This percentage is obtained by dividing the Plan's assets by its liabilities on the valuation date for the plan year. In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the Plan Year and 2 preceding plan years is set forth in the chart below, along with a statement of the value of the Plan's assets and liabilities for the same period.

| | 2009 Plan Year | 2008 Plan Year | 2007 Plan Year |
|---|---|---|---|
| Valuation Date | October 1, 2009 | October 1, 2008 | NA |
| Funded percentage | 78.70% | 80.0% | NA |
| Value of Assets | $66,050,078 | $74,440,501 | NA |
| Value of Liabilities | $83,957,374 | $93,106,670 | NA |

Transition Data

For a brief transition period, the Plan is not required by law to report certain funding related information because such information may not exist for plan years before 2008. The plan has entered "not applicable" in the chart above to identify the information it does not have. In lieu of that information, however, the Plan is providing you with comparable information that reflects the funding status of the Plan under the law then in effect. For the 2007 Plan Year the Plan's "funded current liability percentage" was 64.24%, the Plan's assets were $74,043,854 and Plan liabilities were $115,266,996.

Fair Market Value of Assets

Asset values in the chart above are actuarial values, not market values. Market values tend to show a clearer picture of a plan's funded status as of a given point in time. However, because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values for funding purposes. While actuarial values fluctuate less than market values, they are estimates. As of September 30, 2010, the fair market value of the Plan's assets was $52,040,989. As of September 30, 2009, the fair market value of the Plan's assets was $55,041,732. As of September 30, 2008, the fair market value of the Plan's assets was $67,140,153. The September 30, 2010 asset value amount is preliminary, based upon unaudited information as of the date of the Notice.

## Participant Information

The total number of participants in the plan as of the Plan's valuation date was 1,207. Of this number, 333 were active participants, 551 were retired or separated from service and receiving benefits, and 323 were retired or separated from service and entitled to future benefits.

## Funding & Investment Policies

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay for benefits promised under the plan currently and over the years. The Plan's funding policy is based on funding by contributions made by employers pursuant to collective bargaining agreements with the unions that represent the plan's participants.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries. Specific investments are made in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy of the Plan is generally, to invest the assets of the Plan among several asset classes and within permitted allocation ranges. The long-term goal of the Plan is to: (1) generate a net of fee return in excess of the Plan's actuarial assumed rate of return within acceptable levels of volatility, (2) maintain sufficient liquidity to fund benefit payments, and (3) preserve the principal value of the Plan.

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

| Asset Allocations | Percentage |
|---|---|
| 1. Interest-bearing cash | 0.45% |
| 2. U.S. government securities | 4.08% |
| 3. Corporate debt instruments (other than employer securities):<br>Preferred<br>All other | 23.49% |
| 4. Corporate stocks (other than employer securities):<br>Preferred<br>Common | 48.34% |
| 5. Partnership/joint venture interests | 3.56% |
| 6. Real estate (other than employer real property) | 0.0% |
| 7. Loans (other than to participants) | 0.0% |
| 8. Participant loans | 0.0% |
| 9. Value of interest in common/collective trusts | 17.35% |
| 10. Value of interest in pooled separate accounts | 0.0% |
| 11. Value of interest in master trust investment accounts | 0.0% |
| 12. Value of interest in 103-12 investment entities | 0.0% |
| 13. Value of interest in registered investment companies (e.g., mutual funds) | 2.73% |
| 14. Value of funds held in insurance co. general account (unallocated contracts) | 0.0% |
| 15. Employer-related investments:<br>Employer Securities<br>Employer real property | 0.0% |
| 16. Buildings and other property used in plan operation | 0.0% |
| 17. Other | 0.0% |

For information about the plan's investment in any of the following types of investments as described in the chart above - common/collective trusts, pooled separate accounts, master trust investment accounts, or 103-12 investment entities - contact Mr. Ricky Russell at 1-225-927-6340 or 8111 Tom Drive, Baton Rouge, Louisiana, 70815.

## Critical or Endangered Status

Under federal pension law a plan generally will be considered to be in "endangered" status if, at the beginning of the plan year, the funded percentage of the plan is less than 80 percent or in "critical" status if the percentage is less than 65 percent (other factors may also apply). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status, the trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation and funding improvement plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time.

The Plan was in critical status in the Plan Year because it has funding problems. More specifically, the Plan's actuary determined that the Plan was in critical status in the prior year and is projected to have a funding deficiency within the next 10 years. In an effort to improve the Plan's funding situation, the Trustees adopted a Rehabilitation Plan on February 11, 2009. The first day of the rehabilitation period is October 1, 2011 and the expected duration is 13 years ending on November 30, 2024. The Rehabilitation Plan includes a decrease in the normal pension future service accrual, later eligibility for early retirement, decreases in the early retirement benefits, elimination of the subsidies in the pre-retirement 50% survivor benefit and post-retirement 50% joint and survivor benefit and elimination of lump sums in excess of $5,000. The Plan also eliminates disability benefits for inactive vested participants and increases the service requirement for active participants to be eligible for disability benefits. In addition, the Plan requires increased employer contributions. You previously received a Summary of Material Modifications explaining all the changes that were adopted.

## Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report (i.e., Form 5500) containing financial and other information about the plan. Copies of the annual report are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator.

## Summary of Rules Governing Plans in Reorganization and Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans. Under so-called "plan reorganization rules," a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC's guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The law requires the plan to furnish this notification to each contributing employer and the labor organization.

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

A plan that becomes insolvent must provide prompt notification of the insolvency to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected as a result of the insolvency, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

## Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first $11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next $33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is $35.75 per month times a participant's years of credited service.

*Example 1:* If a participant with 10 years of credited service has an accrued monthly benefit of $500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($500/10), which equals $50. The guaranteed amount for a $50 monthly accrual rate is equal to the sum of $11 plus $24.75 (.75 x $33), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 x 10).

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

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

## Where to Get More Information

For more information about this notice, you may contact the following:

Electricians Pension Plan, IBEW 995
Mr. Ricky Russell
8111 Tom Drive
Baton Rouge, LA 70815
Telephone: 225-927-6340
Toll-Free Telephone: 800-324-0995

For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 72-6057089. For more information about the PBGC and benefit guarantees, go to PBGC's website, www.pbgc.gov, or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).

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