

**NOTICE OF CRITICAL STATUS
FOR
International Brotherhood of Electrical Workers
Local Union No. 527 Pension Plan ("Plan")**

EDSA/PUBLIC DISCLOSURE
2014 MAY 12 PM 3:11

EIN: 74-6213086

Plan No. 001

To: Participants, Beneficiaries, Participating Unions and Contributing Employers

Date: April 30, 2014

RE: Critical Status of the Plan for the 2014 Plan Year

The Pension Protection Act of 2006 ("PPA") added requirements for measuring the financial health of multiemployer plans such as ours. It requires the Plan's actuary to make an annual determination of the Plan's financial status under these rules and certify that status to the IRS and Plan sponsor. If the Plan's status for a Plan Year is "critical" (also known as the red zone), the Plan sponsor must notify all participants, beneficiaries, participating unions and contributing employers in writing of this certification.

Critical Status

This is to inform you that on March 31, 2014, the Plan's actuary certified to the U.S. Department of the Treasury, and also to the Plan Sponsor, that the Plan will continue to be in critical status for the Plan Year beginning January 1, 2014. Federal law requires that you receive this notice.

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary determined that the Plan is projected to have an accumulated funding deficiency within four years.

Rehabilitation Plan and Plan Changes

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the seventh year the Plan has been in critical status. On April 27, 2008, you were notified that the Plan was in critical status (for the first year) and that the Plan was not permitted to pay lump sum benefits (or any payment in excess of the monthly amount paid under a single life annuity) – thereby eliminating the pre-retirement lump sum death benefit – while in critical status.

A rehabilitation plan was adopted by the Board of Trustees on May 27, 2008, and later adopted by the bargaining parties. On September 2, 2008, 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 October 1, 2008. The changes include elimination of subsidies for Inactive Vested Participants with respect to the Early Retirement Pension, the Husband-and-Wife Pension, and the Pre-Retirement Surviving Spouse Pension. The benefits of Inactive Vested Participants who began receiving benefits on or after April 27, 2008, but before the date the Notice was distributed, were adjusted beginning October 1, 2008.

The rehabilitation plan was amended and updated in November 2010 to include more changes to benefits. A Notice of Adjustment to Benefits Due to Critical Status, describing these changes, was sent on November 9, 2010. The changes included a reduction in the benefit accrual rate for Plan Years beginning on or after January 1, 2011, and the elimination of subsidies in the Early Retirement Pension for Active Participants who begin receiving benefits on or after January 1, 2011.

The rehabilitation plan was further amended and updated on December 22, 2011 to freeze benefit accruals for service on or after January 1, 2012. A Notice of Adjustment to Benefits Due to Critical Status, describing this change, was sent on November 30, 2011.

Adjustable Benefits and Possibility of Further Reduction in Benefits

The law permits pension plans in critical status to make changes to future benefits and to reduce, or even eliminate, benefits called "adjustable benefits". In addition to the changes already made, it is possible that the following adjustable benefits, which are offered under the Plan may be reduced or eliminated as part of a future amendment to the Rehabilitation Plan:

- Disability benefits (if not yet in pay status),
- Subsidized Qualified Joint-and Survivor Annuity (QJSA),
- Subsidized Qualified Pre-Retirement Survivor Annuity (QPSA), or
- Recent benefit increases (i.e, those adopted or effective since January 1, 2003).

However, no reduction of adjustable benefits (other than a repeal of a recent benefit increase, as described above) will reduce the level of your basic benefit payable at normal retirement. If the Trustees of the Plan determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. In addition, any such further reductions may only apply to Participants and beneficiaries whose benefit commencement date is on or after April 27, 2008.

Where to Get More Information

For more information about this Notice or earlier Notices, please contact:

Ms. Mary Bustamante
IBEW Local Union No. 527 Pension Fund Office
2509 FM 2004
Texas City, TX 77591
(409) 933-9800

You also have a right to receive a copy of the rehabilitation plan.