

LOCAL 1783 I.B.E.W PENSION FUND

This is to inform you that on March 30, 2015 the Local 1783 I.B.E.W Pension Fund's actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan will be in critical status for the plan year beginning January 1, 2015. Federal law requires that you receive this notice.

Critical Status

The plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Local 1783 I.B.E.W Pension Fund's (Pension Fund) actuary determined that the Pension Fund is approximately 75% funded but that the Pension Fund is projected to have an accumulated funding deficiency.

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 Pension Fund. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the trustees of the Pension Fund determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any additional or future reduction of adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, any additional or future reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after April 30, 2015. But you should know that whether or not the plan reduces adjustable benefits in the future, the Pension Fund is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the Pension Fund. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the trustees of the Pension Fund determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits (other than a repeal of a recent benefit increase) will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, any future reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after April 30, 2015. The Trustees did adopt a reasonable measure Rehabilitation Plan in 2010 implementing both future contribution increases and future benefit modifications.

Adjustable Benefits

The Pension Fund offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the Pension Fund may adopt:

- Early retirement or Disability benefits or any retirement-type subsidy;
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA);

Employer Surcharge

The law requires that all contributing employers pay to the Pension Fund a surcharge to help correct the Fund's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the Pension Fund under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the plan is both in critical status and has not adopted a Rehabilitation Plan.

Where to Get More Information

For more information about this Notice, you may contact the Layne McCarthy, Fund Administrator at 914-948-3771 or at 84 Business Park Drive, Suite 202, Armonk, NY 10504. You have a right to receive a copy of the rehabilitation plan from the plan.

April 30, 2015