

ELECTRICAL WORKERS FRINGE BENEFIT FUNDS

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March 29, 2008

Notice of Endangered Status for Electrical Workers Pension Fund

The 2006 Pension Protection Act requires that the Board of Trustees provide notice to you that on March 31, 2008 the plan actuary certified to the U.S. Department of the Treasury and to the plan sponsor that the Plan is in endangered status of the plan year beginning January 1, 2008. This is a new law; in the future you will receive an annual update of the Pension Plan's status and the progress the Plan is making towards the goals described below.

Endangered Status

The plan is considered to be in endangered status because the Funded percentage is less than 80%. The plan's actuary determined that the plan's funded percentage is 71% as of January 1, 2008. The "funded percentage" is the fraction of benefits earned by participants that can be funded with existing Fund assets based upon the Plan Actuary's current assumptions including projected mortality rates and investment returns on Fund assets.

As required by law, the plan actuary's certification includes only those contribution rates that have already been negotiated into the plan. It cannot assume the Pension contribution increases that are likely to occur through negotiated wage increases and the fact the Pension contributions are a percentage of wages.

Trustee Actions Already Taken

Beginning in 2003 the Trustees took action to improve the funded status of the Plan, primarily by increasing the employer contribution levels. The current contribution level equal to 10% of wages will steadily increase the funded percentage provided the Actuary's assumptions are met.

Funding Improvement Plan

Federal law requires pension plans in endangered status adopt a funding improvement plan aimed at improving the financial health of the plan. The funding improvement plan requires that the plan's funded percentage improve at least one-third of the way to 100% over the next 10 years. Therefore, the minimum target for this Plan under the law is a funded percentage of 81% by 2018. The funding improvement plan adopted by the Trustees and provided to the bargaining parties for final approval does not require any additional actions. The actuary has certified that this funding improvement plan satisfies the applicable actuarial requirements.

Future Experience and Possible Adjustments

The funding improvement plan is based on a number of assumptions about future experience and may need to be adjusted in the future if such assumptions are not met. If, at some point in time, the Trustees determine that further adjustments are necessary, you will receive a separate notice identifying and explaining the effect of those changes.

Commitment to Continued Improvement

With the past changes in place, and the ability to make future changes if necessary, the Trustees anticipate that the fund will emerge from endangered status soon and continue to see improved funded percentages in the future. The Trustees are committed to providing a retirement benefit that you can rely upon to pay a lifetime benefit and that will play a significant role in your overall retirement planning.

Where to Get More Information

For more information about this Notice, you may contact the Electrical Workers Pension Fund at 2002 London Road, Suite 300, Duluth, MN 55812 or by telephone at (218) 724-8883. You have a right to receive a copy of the funding improvement plan once it has been formally approved by the bargaining parties. This should be completed by the end of this year.

