

IBEW Pacific Coast Pension Fund
PO Box 5433
Spokane, WA 99205



July 20, 2020

TO: Participants, Beneficiaries, Contributing Employers and Local Unions
Department of Labor (DOL)
Pension Benefit Guaranty Corporation (PBGC)

FROM: Board of Trustees
IBEW Pacific Coast Pension Plan

SUBJECT: Notice of Actuary's Certification of Critical Funding Status of the
I.B.E.W. Pacific Coast Pension Plan (the "Plan") under the
Pension Protection Act of 2006 ("PPA") for the 2020-2021 Plan Year

This is to inform you that on June 29, 2020, the Plan's actuary certified to the U.S. Department of Treasury, and also to the Plan's Board of Trustees, that the Plan continues to be in critical status (as defined under the Pension Protection Act of 2006 ("PPA") and also known as "Red Zone" status) for the Plan Year beginning April 1, 2020. Federal law requires that you receive this notice.

CRITICAL STATUS

In recent years, the Board of Trustees has taken steps to bring the Plan's liabilities into balance with its assets. Despite these efforts, there remains a shortfall that must be addressed through the Rehabilitation Plan during the Rehabilitation Period in order for the Plan to comply with the requirements of the PPA. The Plan has been certified to be in critical status each year since the Plan Year that began April 1, 2009. The Plan continues to be considered to be in critical status for the Plan Year beginning April 1, 2020 because it has funding problems. More specifically, the Plan's actuary has determined that the Plan has a projected funding deficiency within ten years (taking into account any amortization extensions). Other tests may also apply.

REHABILITATION PLAN

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 12th year the Plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On July 22, 2009, you were notified that the Plan reduced or eliminated certain adjustable benefits. On, July 22, 2009, you were also notified that the Plan was no longer permitted to pay benefits in any of the following forms: (1) lump sums in excess of \$3,500; (2) benefits under the Social Security Level Income Option; or (3) any other payment form in excess of the monthly amount paid under a single lifetime annuity while it is in critical status.

The Board of Trustees of the Plan must annually review and, if necessary, update the rehabilitation plan and its schedules. If it determines that further 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 will not reduce the level of a Participant's basic benefit payable at Normal Retirement. In addition, the reductions may only apply to Participants and Beneficiaries whose benefit commencement date is on or after July 22, 2009.

Under the Rehabilitation Plan as originally approved by the Trustees, the Plan was expected to emerge from critical status by the end of its rehabilitation period (March 31, 2023). In the most recent Update of the Rehabilitation Plan approved by the Trustees the Plan is not expected to emerge from critical status based on current assumptions.

ADJUSTABLE BENEFITS

When the Plan was initially certified to be in critical status for the Plan Year beginning April 1, 2009, you were informed that the following adjustable benefits could be reduced or eliminated as described in some of the Schedules to the Rehabilitation Plan adopted by the Board of Trustees.

- Pre-Retirement Death Benefit (60 monthly payments of accrued benefit to Beneficiary)
- Pre-Retirement Death Benefit (Lump sum payment of 50% of Contributions to Beneficiary)
- Disability Pension (if not already in pay status)
- Early Retirement Pension
- Rule of 85 Pension
- Five-Year Guarantee or Certain Feature for Life Annuity
- 100% Husband-and-Wife Pension
- Subsidy and Reversionary Features of 75% Husband-and-Wife Pension
- Subsidy and Reversionary Features of 50% Husband-and-Wife Pension

On July 8, 2009, the Board of Trustees amended the Plan Document to provide the Rehabilitation Plan and you were informed of the specific benefits that were subject to reduction or elimination under certain Schedules to the Rehabilitation Plan. Over time, required updates to the Rehabilitation Plan may require further increases in contributions and/or the further reduction or elimination of adjustable benefits. You will be notified of any such actions taken by the Board of Trustees.

EMPLOYER SURCHARGE

The law requires all Contributing Employers to pay to the Plan a surcharge to help correct the Plan'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 Plan under the applicable collective bargaining agreement or subscription agreement. With some exceptions, a 5% surcharge was applicable to the initial critical year (ending March 31, 2010) and a 10% surcharge is applicable for each succeeding Plan Year thereafter in which the Plan is in critical status. The imposition of surcharges ceases for a Contributing Employer when that Employer adopts or renews a collective bargaining agreement or subscription agreement containing terms consistent with a Schedule of the Rehabilitation Plan.

WHERE TO GET MORE INFORMATION

For more information about this Notice, you may contact:

IBEW Pacific Coast Pension Fund
Rehn & Associates, Plan Administrator
PO Box 5433
Spokane, WA 99205
(800) 872-8979

By contacting the Fund Manager, you may receive a full copy of the Rehabilitation Plan previously adopted by the Board of Trustees.