

International Brotherhood of Electrical Workers Local No. 32 – N.E.C.A. Pension Plan

Notice of 2009 WRERA Election Regarding Funded Status

BACKGROUND

In accordance with the *Pension Protection Act of 2006 (“PPA”)*, multiemployer pension plans are required to be certified by their actuaries as being in one of four funded statuses for plan years beginning on or after January 1, 2008 based on specific funding criteria set forth in the Internal Revenue Code. These four funded statuses are:

- *Neither Endangered nor Seriously Endangered nor Critical*
- *Endangered*
- *Seriously Endangered*
- *Critical*

While the trustees of pension plans that are not Endangered, Seriously Endangered, or Critical must continue to exercise diligence to protect the funded position of their plans, the law does not require them to take any actions or adopt particular programs to maintain or improve plan funding.

Trustees of pension plans that are Endangered, Seriously Endangered, or Critical must take specific actions spelled out in the Internal Revenue Code. Endangered or Seriously Endangered plans must adopt a “funding improvement plan,” while Critical plans must adopt a “rehabilitation plan.” These plans are designed to restore the pension plan’s funded status over a period of time.

Recognizing that the value of plan assets, and therefore the funding, of almost all pension plans has dropped due to the current economic crisis, Congress passed the *Worker, Retiree and Employer Recovery Act of 2008 (“WRERA”)*, which gives trustees the option to keep their plan in its 2008 funded status for the 2009 plan year, regardless of the plan’s actual funded status. As such, WRERA is intended to provide trustees with additional time to come up with a plan of action for dealing with their plan’s funding problems.

2009 PLAN YEAR FUNDED STATUS CERTIFICATION

The actuary for the International Brotherhood of Electrical Workers Local No. 32 – N.E.C.A. Pension Plan (“Plan”) has certified that the Plan was Critical, as defined by PPA, for the 2009 Plan Year (i.e., January 1, 2009 – December 31, 2009). This certification was prepared based on the Plan’s December 31, 2008 Draft Financial Statements and the results of the Plan’s January 1, 2008 Actuarial Valuation.

2008 PLAN YEAR FUNDED STATUS CERTIFICATION

For the 2008 Plan Year (i.e., January 1, 2008 – December 31, 2008), the Plan's actuary has certified that the Plan was not Endangered, Seriously Endangered, or Critical.

WRERA ELECTION TO CONTINUE TO USE 2008 PLAN YEAR FUNDED STATUS CERTIFICATION

In accordance with the provisions of Section 204 of WRERA, the Plan's Board of Trustees has voted to "freeze" the Plan's 2008 Plan Year funded status certification, as described above, and have such certification apply to the Plan's 2009 Plan Year. Absent this election, the Plan would have been certified as Critical.

The freezing of the Plan's 2008 Plan Year funded status certification will not extend beyond December 31, 2009. By March 31, 2010, the Plan's actuary will again certify the Plan's funded status. If at that time the Plan is certified to be in Endangered, Seriously Endangered, or Critical status, you will be sent a notice similar to this one explaining the Plan's funded status and describing any actions that the Trustees may be required to take under the law. Such actions may include increases in the hourly contribution rate and/or the reduction of future benefits accruals. Additionally, if the Plan is certified to be Critical, improvement steps may include a surcharge on employer contributions, the suspension of lump sum benefit payments, or the elimination of early retirement benefits or other adjustable benefits.

WHERE TO GET MORE INFORMATION

For more information about this notice, you may contact Benefit Services, the Plan's Third Party Administrator, at 3636 Copley Road, Suite 201, P.O. Box 4138, Akron, OH 44321 (Telephone: (330) 666-0337; National Toll Free: (800) 367-3762). For identification purposes, the Plan's official plan number is 001, and the plan sponsor's employer identification number or "EIN" is 31-6152294.