



LOCAL UNION 1710 IBEW PENSION TRUST FUND

October 28, 2013

NOTICE OF CRITICAL STATUS FOR LOCAL UNION 1710 I.B.E.W. PENSION TRUST FUND

This is to inform you that on September 27, 2013, the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical status for the plan year beginning July 1, 2013. 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 plan's actuary determined that as of July 1, 2013: the plan was in critical status last year and over the next 10 years, the plan is projected to have an accumulated funding deficiency for the 2021-22 and 2022-23 plan years.

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 fourth 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 June 21, 2011, you were notified that the plan reduced or eliminated adjustable benefits. 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. 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 October 27, 2010.

Adjustable Benefits

The plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt: (i) Post-retirement death benefits, (ii) 36-month payment guarantees, (iii) Early retirement benefit or retirement-type subsidy, and (iv) Benefit payment options other than a qualified joint and survivor annuity.

Employer Surcharge

The law requires that all contributing employers 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. 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 in critical status.

Where to Get More Information

For more information about this Notice, you may contact the Plan Administrator at the following address and phone number: BeneSys, 1050 Lakes Drive, Suite 120, West Covina, California 91790, phone: (626) 646-1090. You have a right to receive a copy of the Rehabilitation Plan from the plan.