

**Notice of Critical Status**  
**For**  
**International Brotherhood of Electrical Workers Local No. 129 Pension Fund**

This is to inform you that on July 29, 2008 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 May 1, 2008. Federal law requires that you receive this notice. This is a new law; in the future you will receive an annual update of this status.

**Critical Status**

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the plan is considered to be in critical status because it is projected to satisfy the following criterion:

Over the next three plan years, the plan is projected to have an accumulated funding deficiency – The plan's actuary projects that, if no further action is taken, the plan will have an accumulated funding deficiency for the plan year ending April 30, 2012. Note, "accumulated funding deficiency" means that contributions would be insufficient to satisfy Federal requirements; it does not mean that the Fund would become bankrupt or run out of money.

**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 plan. A rehabilitation plan may involve reductions to future benefit accruals, increases to contribution rates, or both. The law also permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. The plan offers the following adjustable benefits which may be reduced or eliminated (for participants not yet in pay status) as part of any rehabilitation plan the pension plan may adopt:

- 60-month payment guarantees;
- Disability benefits;
- Early retirement benefits or subsidies;

If the Trustees of the plan 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 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 August 28, 2008. But you should know that whether or not the plan reduces adjustable benefits in the future, effective as of August 28, 2008, the plan is not permitted to pay any 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.

**Future Experience and Possible Adjustments**

A rehabilitation 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. Additional contribution rate increases and/or reductions in the rate at which benefit are earned may be needed if the plan were to suffer asset returns below the expected 7.5% (in any plan year after May 1, 2008), a drop in the hours worked, or poor experience from other sources. 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.

**Employer Surcharge**

The law requires that all contributing employers pay to the plan a surcharge beginning on September 28, 2008 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.

The surcharges continue until the bargaining parties formally approve a rehabilitation plan. *It is the intention of the Board of Trustees to have rehabilitation plan options submitted to the bargaining parties very soon, so that formal approval of a rehabilitation plan can be made before September 28, 2008. If the bargaining parties are able to adopt a rehabilitation plan prior to that date, surcharges would not be required.*

**Where to Get More Information**

For more information about this Notice, you may contact the fund office at 36964 Detroit Rd, Avon, Ohio 44011-1518 or by telephone at (440) 934-4447. You have a right to receive a copy of the rehabilitation plan once it has been formally approved by the bargaining parties.