



Local Union No. 98

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

1719 Spring Garden Street
Philadelphia, Pennsylvania 19130

Business Office: 215-563-5592
Financial Office: 215-563-8991
FAX: 215-563-9149

April 24, 2008

Dear Participant:

As you know, many pension plans across the country are facing financial difficulties. As a result, Congress passed the Pension Protection Act of 2006 ("PPA"). Under the PPA, Congress and the IRS have created new rules for "multiemployer" defined benefit pension plans like the International Brotherhood of Electrical Workers Local Union No. 98 Pension Plan ("Plan").

The purpose of this letter is to inform you how the PPA impacts our Plan and to briefly describe the Trustees' response to the PPA.

Required Actuarial Certification

The PPA requires the Plan's Actuary to certify whether a plan is in one of the following categories within the first 90 days of each plan year:

- Endangered Status
- Seriously Endangered Status, or
- Critical status

To determine whether a Plan is in Endangered Status, the Plan's Actuary must perform two tests. If the Plan fails either of these tests, the plan is in Endangered Status.

The first test is based on the Plan's Funded Percentage. In this test, the Plan's assets on January 1, 2008 are divided by the value of all Plan participants' benefits earned on that date. If this ratio is over 80%, this test is passed.

The second test looks at the future of the Plan. A projection is made to determine whether the level of contributions expected to be received over the next six years are enough to prevent the Plan from having a "funding deficiency" during that period.

The Local 98 Pension Plan passed this second test. However, because the Plan's funded percentage was less than 80% as of January 1, 2008, the Plan failed the first test. As a result, the Plan is in Endangered Status for this year.

Funding Improvement Plan

The Trustees of a plan that is in Endangered Status must draft a "Funding Improvement Plan," which has the goal of improving the plan's Funding Percentage by 1/3 over the next 10 years.

Because of the careful attention paid to the Plan's funding by the Plan's Trustees, our Plan is already projected to meet the goals of the required Funding Improvement Plan. As a result, and unlike many plans across the country, our Plan does not need to make



any changes to contributions or benefits to satisfy its Funding Improvement Plan. In fact, if all actuarial assumptions are met, the Plan is expected to emerge from Endangered Status by 2010.

Required Notification

When a Plan is certified to be in Endangered Status, the PPA requires the Plan to provide notice to Plan participants and beneficiaries, bargaining parties, the Pension Benefit Guaranty Corporation, and the Secretary of Labor with the attached Notice.

Conclusion

We want to assure you that the Trustees of the International Brotherhood of Electrical Workers Local Union No. 98 Pension Plan are paying close attention to the Plan's funding status and will continue to do so in order to make sure that Plan continues to meet the goals of the required Funding Improvement Plan.

If, you have any questions or concerns, please feel free to contact Frank M. Vaccaro & Associates, the Contract Fund Administrator, 1719 Spring Garden Street, Philadelphia, PA 19130, telephone: 215-599-6436.

Very truly yours,

The Board of Trustees
International Brotherhood of Electrical Workers
Local Union No. 98 Pension Plan



Local Union No. 98

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

1719 Spring Garden Street
Philadelphia, Pennsylvania 19130

Business Office: 215-563-5592
Financial Office: 215-563-8991
FAX: 215-563-9149

**NOTICE OF ENDANGERED STATUS FOR
INTERNATIONAL BROTHERHOOD OF ELECTRICAL
WORKERS**

LOCAL UNION NO. 98 PENSION PLAN

This is to inform you that on March 27, 2008 the plan actuary certified to the U.S. Department of the Treasury and also to the Plan Sponsor that the Plan is in "Endangered Status" for the plan year beginning January 1, 2008. Federal law requires that you receive this Notice.

Endangered Status

The Plan is considered to be in "Endangered Status" because the Plan's actuary determined that the Plan's funded percentage for 2008 is less than 80%.

Funding Improvement Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in "Endangered Status" to adopt a "Funding Improvement Plan" aimed at restoring the financial health of the plan. The Funding Improvement Plan must include actions that are reasonably likely to achieve a 1/3 reduction in the underfunded liability over a period of approximately 10 years. The law permits pension plans to reduce benefits earned in future years as part of a Funding Improvement Plan. 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. The Funding Improvement Plan must be adopted by November 21, 2008 (no later than 240 days following the date of certification).

Where to Get More Information

For more information about this Notice, you may contact Frank M. Vaccaro & Associates, Contract Plan Administrator, 1719 Spring Garden Street, Philadelphia, PA 19130, phone: 215-599-6436. You have a right to receive a copy of the "Funding Improvement Plan" from the plan.

