

September 1, 2006 – NOTICE OF IMPORTANT PENSION PLAN CHANGE

◆ 12-Month Break in Service Required for Distribution

Effective September 1, 2006, the Local No. 8 I.B.E.W. Retirement Plan and Trust (“Pension Plan” or “Plan”) has been amended to allow you to obtain a distribution of all or part of your account balance if you have terminated employment before attaining the Plan’s early retirement age (55, if you satisfy the “rule of 85”) or normal retirement age (60), if the following conditions are met:

1. The Plan receives no employer contribution (including contributions received as a result of reciprocity agreements) on your behalf for at least twelve (12) consecutive months; and
2. You do not engage in any work within the electrical industry within the geographic jurisdiction of IBEW Local No. 8 for at least twelve (12) months.

This is a change from the prior 6-month break-in-service rule.

◆ Tax Consequences

As always, you should carefully consider the tax consequences of receiving your Plan benefits when requesting a distribution. In general, unless “rolled over” to an IRA or another qualified retirement plan (including the IBEW Local 8 401(k) Plan, if you are an eligible participant), your distributions are subject to federal and state income tax (but not social security and Medicare taxes, or local income tax).

Unless paid directly from the Pension Plan to an IRA or other qualified plan that will accept a rollover (known as a “direct rollover”), the Plan will withhold federal income tax at the flat rate of 20% from the amount distributed. A more comprehensive notice describing these tax consequences will be provided to you at the time you are furnished with forms required to elect a distribution.

Additionally, if you have not attained age 59½ before receiving a distribution, a 10% “early distribution” penalty tax will apply in addition to regular federal and state income tax. There are, however, several circumstances under which the 10% penalty does not apply. These include distributions received:

- On account of becoming disabled;
- Under the Plan’s early retirement provisions; or
- As substantially equal periodic payments (based upon your life expectancy, or the joint lives of you and your designated beneficiary) that continue uninterrupted until you reach age 59½ or, if later, until you have received the payments for at least 5 years.