

October 2007

TO: All Plan Participants

The Board of Trustees of the Northern California Electrical Workers Pension Plan are pleased to announce that benefit improvements to the Plan were approved at a meeting held on September 12, 2007. A relatively minor change to the eligibility requirements for a disability pension was also approved. This letter explains the changes.

Benefit Improvements for Active Participants

For a Participant retiring on or after January 1, 2007, future service benefits will be computed at \$175.00 per year of pension credit under the Inside Wireman Agreement earned since June 1, 1961, provided the Participant has accumulated at least 3,000 hours of covered employment since January 1, 2003. This benefit increase applies only to credits earned since any separation from employment that may have resulted in freezing all, or a portion, of your accrued benefits at prior benefit levels.

This benefit increase will be reflected in your 2007 annual statement that will be distributed in 2008. Any Participant who retired on or after January 1, 2007, and who is eligible for the benefit increase will receive a retroactive payment for the unpaid increase computed from his pension commencement date.

Single Sum Payment to Certain Retired Participants

The Trustees also approved a one-time only single sum benefit of \$2,000 payable to pensioners and surviving spouses who were in pay status on December 31, 2006, and who remain in pay status on the date of the payment in December 2007. Some, but not all, recipients of this benefit will be able to roll over this payment to an IRA or other eligible retirement plan, so be sure to read the tax notice that will be sent to you within the next two weeks if you are a retired participant who qualifies for this payment. This one time special payment will be appropriately reduced if pension benefits are subject to a qualified domestic

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Re: NCEW Pension Plan

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relations order (QDRO) and the QDRO specifically provides that one-time special payments are to be divided between the participant and the alternate payee.

Change to Disability Pension Requirements

The Trustees also approved a minor change to the eligibility requirements for a disability pension. Under the old rule, the Plan language allowed the Trustees to use its discretion when determining whether a Participant was permanently and totally disabled. The Plan also allowed the Trustees to require a determination of disability by the Social Security Administration as a condition of a disability determination for the Plan, a practice which has generally been applied for some time.

The new rule, effective September 12, 2007, simplifies the Trustees' role by providing that a finding of disability by the Social Security Administration is both required and sufficient for determining disability under the Plan. This means that the Plan will ordinarily rely on the Social Security Administration's determination of disability for purposes of determining eligibility for a disability pension under the Plan. The Trustees would override the Social Security Administration's determination of disability only under very extraordinary circumstances.

Sincerely,

Plan Office