

**SAN FRANCISCO ELECTRICAL WORKERS RETIREMENT SAVINGS PLAN
720 MARKET ST., SUITE 700, SAN FRANCISCO, CA 94102
(415) 263-3670**

October 2009

To: EMPLOYEES OF CONTRIBUTING EMPLOYERS TO THE SAN FRANCISCO
ELECTRICAL WORKERS RETIREMENT SAVINGS PLAN

Re: OPEN ENROLLMENT FOR WAGE DEFERRAL ELECTION

In accordance with the collective bargaining agreement, if you have attained at least journeyman level and you are working for an employer that contributes to the San Francisco Electrical Workers Retirement Savings Plan, you may elect (or revise your current election) to make 401(k) pre-tax wage deferrals during open enrollment. Open enrollment begins in November and ends December 11, with payroll changes taking effect on January 1. **Recently, the bargaining parties to the IBEW Local 6/SFECA Inside Agreement agreed to divert the \$3.04 hourly employer contribution from the SFEW Retirement Savings Plan to the NCEW Pension Plan effective January 1, 2010 to shore up the Pension Plan's funding status in the aftermath of last year's financial market problems.** However, employees will still have the opportunity to elect a 401(k) contribution to the Plan in \$1.00 per hour increments up to a maximum of \$5.00. These contributions will reduce your taxable income, but will not reduce your earnings subject to social security taxes.

If you are a traveling employee working in the jurisdiction of IBEW Local 6, you are also eligible to elect 401(k) contributions to the Plan. Since only employer contributions may be transferred to a reciprocating Local Fund, 401(k) contributions will not be reciprocated but instead credited to your individual account in the SFEW Retirement Savings Plan.

If you elect 401(k) contributions to the Plan and you have been sent by your employer to work in another jurisdiction under a portability agreement, your employer will continue to withhold the contribution from your gross wages and report them to EISB on a separate "differential transmittal form."

If you elect 401(k) contributions to the Plan, wage percentage calculations for the purpose of determining vacation/holiday/thrift savings withholding from your paycheck will be based on your pre-deferral taxable wages. The amount withheld for vacation will, therefore, be the same whether or not you make 401(k) contributions to the Plan.

For 2010, unless you elect otherwise, the Plan Office will assume that you wish to make a pre-tax contribution from your wages based on your 2009 401(k) election. **You may change this election, and contribute any whole dollar amount from zero up to \$5.00 per hour, by completing the attached election form and returning it to the Plan Office no later than December 11, 2009.** If you do not return a completed election form by this date, your 2010 contribution will be identical to your 2009 election for all of 2010. You may elect a new contribution level for 2011, during next year's open enrollment period.

If you have any questions, please call the Plan Office at (415) 263-3670.