

October 2008

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 12, with payroll changes taking effect on January 1. Your employer is required under the collective bargaining agreement to contribute to your account a base hourly contribution of \$3.04 per hour. You may add to this contribution level by electing to make a 401(k) contribution to the Plan in \$1.00 increments up to a maximum of \$5.00 per hour. Additional contributions that you elect above the base amount of \$3.04 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 to make 401(k) contributions to the Plan. However, only employer contributions that are required to be made pursuant to the collective bargaining agreement (*i.e.*, \$3.04 per hour) will be reciprocated to the your home local in accordance with the Electrical Industry Pension Reciprocal Agreement. Non-reciprocated 401(k) contributions will be credited to your account in the SFEW Retirement Savings Plan.

If you elect to make 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 to make 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 choose to make 401(k) contributions to the Plan.

For 2009, the Plan Office will assume that you wish to make a pre-tax contribution from your wages based on your 2008 401(k) election. However **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 Fund Office no later than December 12, 2008.** If you do not return a completed election form by this date, your 2009 contribution will be identical to your 2008 election for all of 2009. You may elect a new contribution level for 2010, during next year’s open enrollment period.

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