

SAN FRANCISCO ELECTRICAL WORKERS RETIREMENT SAVINGS PLAN
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NEW DISTRIBUTION RULE UPON TERMINATION

New Temporary Distribution Rule

Currently, under the SFEW Retirement Savings Plan, you may request a lump sum withdrawal upon your termination of employment if the withdrawal amount is less than \$5,000, you have not been employed by an Employer (or in the Electrical Construction Industry) in the Union's jurisdiction in the prior 18 months, and you do not intend to return to Electrical Industry employment in the Union's jurisdiction. Beginning December 1, 2010, and through December 31, 2011, the Plan liberalizes this rule temporarily by allowing you to request a distribution if you:

- (i) have terminated employment with all covered Employers;
- (ii) have performed no services for any covered Employer in the past 3 months;
- (iii) are not eligible for a Disability, Early or Normal Retirement distribution;
- (iv) have had no contribution activity in the past 3 months; and
- (v) have received no distribution under this temporary rule in the past 120 days.

This distribution rule will be available only through December 31, 2011.

Tax Consequences

Your distribution under this new rule will be taxable to you if you do not roll it over to an eligible retirement plan. If you have not attained age 59 1/2, a 10% federal penalty and a 2 1/2% state penalty tax will also probably apply. Distributions not directly rolled over to an eligible retirement plan will be subject to 20% federal (and, optionally, 2% California) income tax withholding, which will be credited to you on your income tax return for the year of the distribution. Additional information regarding the tax consequences will be provided to you upon your request for distribution, and can also be viewed on the EISB website at www.eisb.org. We also encourage you to consult with your personal tax advisor.

Should you have any questions, or if you are eligible and would like to request a distribution under this new rule, please contact the Plan Office.

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