

# **SAN MATEO COUNTY ELECTRICAL CONSTRUCTION INDUSTRY**

## **RETIREMENT PLAN**

### **SUMMARY PLAN DESCRIPTION**

**(For Members of IBEW LOCAL 617)**

**January 1, 2009**

Keep This Booklet For Future Reference

**SAN MATEO COUNTY  
ELECTRICAL CONSTRUCTION INDUSTRY  
RETIREMENT PLAN**

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Dear Participant:

We are pleased to provide this booklet describing the provisions of your Retirement Plan. This booklet is called a Summary Plan Description.

We suggest that you share this booklet with your family since they may have an interest in the Plan. We also suggest that you keep this booklet for future reference and let members of your family know where it is being kept. It contains information concerning what may be substantial sums of money to which you or your beneficiary may be entitled.

The “Questions and Answers” which follow are intended only to highlight some of the features of the Retirement Plan. The actual text of the Plan or official Plan Rules governs all aspects of participation, eligibility, benefits and administration of the Plan. Accordingly, you should refer to the actual text of the Plan, which you may obtain upon written request of the Fund Office.

You should read this booklet carefully and discuss it with your spouse because you each have an interest in the Plan. **YOU SHOULD KEEP THIS SUMMARY PLAN DESCRIPTION FOR FUTURE REFERENCE.**

Over the years you may accumulate substantial funds to which you or your named beneficiary may be entitled. Please submit a completed beneficiary form to the Fund Office. You also should notify the Fund Office of any address change.

Only the Board of Trustees is authorized to interpret the Plan of benefits described in this booklet. The Board of Trustees has the full discretionary authority to determine eligibility for benefit claims and appeals, to construe and interpret the Plan and related documents, and any rules adopted by the Trustees. No one else can interpret the Plan – this includes Employers, the Union and their representatives.

If you have any questions about the Plan or desire any additional information, please contact the Fund Office (408) 288-4400.

Sincerely,

The Board of Trustees

### **CAUTION – FUTURE AMENDMENTS**

Future amendments to the Plan may have to be made from time to time to comply with actions of Congress and federal agencies, which affect pension plans, such as this Plan, or changed circumstances of the Plan. You will be notified if significant amendments to the Plan are made. Before you decide to retire and file an application for your pension, you should contact the Fund Office to determine if there have been any important Plan changes.

### **LIMITATION UPON RELIANCE ON BOOKLET AND STATEMENTS**

The explanation in this booklet is a brief, general summary of the Retirement Plan. It is not intended to cover all of the details of the Plan. Nothing in this Summary Plan Description is meant to interpret or change the Plan provisions. You should review the Plan to fully determine your rights.

You are not entitled to rely upon oral statements of the Fund Manager, any trustee, an employer, a union officer, Plan official or any other person or entity. As a courtesy to you, the Fund Office may respond orally to questions; however, such information and answers are not binding on the Plan or the Trustees.

If you wish an official interpretation of the Plan, you should address your request, in writing, to the Board of Trustees at the Fund Office. To make their decision, the Trustees must be furnished with full and accurate information concerning your situation.

You should further understand that, from time to time, there might be a data or other error in a statement or notice that you receive which may be corrected upon audit or review. The Board of Trustees reserves the right to make corrections at any time.

### **SEEK ADVICE OF TAX CONSULTANT**

You may want to discuss with a tax advisor the tax consequences of any withdrawal of funds or selection of a benefit option under the Plan.

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# QUESTIONS AND ANSWERS ABOUT THE PLAN

## 1. How do I know if I am a Participant in the Retirement Plan?

- A. You become a Participant in the Plan as soon as Employer Contributions on your behalf under a Collective Bargaining Agreement between IBEW Local #617 and the San Mateo Chapter, National Electrical Contractors Association, Inc. are received by the Plan.

Employment must be with an Employer who meets the “Covered Employment” requirement. This is an Employer covered by a Collective Bargaining Agreement, which requires the Employer to make contributions to the Plan on the Employee’s behalf. Covered Employment also includes Employment in a position covered by a Subscription Agreement entered into between the Plan and an individual Employer.

The Board of Trustees is authorized to enter into reciprocity agreements with the Trustees of other qualified Plans upon terms mutually agreeable and lawful. Such agreements may allow the transfer of funds between other defined contribution pension plans in the Electrical Industry. The form and content of any such reciprocity agreement is at the discretion of the Board of Trustees. Be sure to check with the Fund office or the Local Union Office if you wish to transfer to or from another IBEW Plan.

You also may be a Participant in the Plan if you are a non-bargaining unit Employee who has earned at least five benefit units under the Plan, and at least one-half of your total hours of service in the current or a prior Plan Year were worked as a bargaining unit Employee. Your Employer must have a subscription agreement with the Trust covering you and must contribute the specified contribution amount as determined by the Board of Trustees.

You also may be a Participant in the Plan if you qualify as an alumni provided any such Participant has previously been employed as an Employee in Covered Employment by an Employer under a Collective Bargaining Agreement with IBEW Local 617. Certain full-time Employees of IBEW Local 617 and the IBEW 617 JATC are also eligible to participate in the Plan under rules approved by the Board of Trustees. See the Plan Office for further details.

As a Participant, you will receive an annual statement from the Fund Office showing the Employer Contributions paid on your behalf in the previous year and the value of your Individual Account.

## **2. What is an Individual Account?**

- A.** The term “Individual Account” describes how much money you would be entitled to receive from the Plan if you were entitled to a payout. Under the Plan you will have an Individual Account in your name (although the Plan’s assets are pooled for investment purposes). Thus, the amount of your retirement benefits will depend upon the amount of future Employer Contributions made on your behalf and the Plan’s earnings, expenses and asset appreciation or depreciation. If an account becomes 100% vested, it will be nonforfeitable, and you or your beneficiaries will be entitled to your Individual Account, subject only to adjustments for investment results and Plan expenses.

Your Individual Account is set up at the end of the first month in which any contributions are received on your behalf.

The Plan is governed by a federal law known as the Employee Retirement Income Security Act, as amended (“ERISA”). The Plan is not, however, insured under ERISA’S Pension Benefit Guaranty Corporation (“PBGC”), which applies only to defined benefit pension plans. Thus, there is no federal guarantee or protection if the market value of your Individual Account decreases in value.

## **3. When is my Account vested?**

- A.** You will be a vested Participant as soon as either (1) you have five Years of Service (see question 5), or (2) you reach your Normal Retirement Date. Your Normal Retirement Date is the later of the date you attain age 65, or, the fifth anniversary of the date you became a Participant in the Plan. Effective as of January 1, 2009, you will be a vested Participant if you have three Years of Service.

Your Individual Account could, however, reach a zero balance over time if you only work a few hours a year and your share of the Plan expenses exceed the aggregate of the contributions paid on your behalf and your share of Plan earnings. Moreover, if an Individual Account has had no activity for two consecutive Plan Years, the account balance is \$100 or less, and the Plan is unable to locate you, the account will be terminated and the proceeds used to pay Plan expenses.

If you are a non-vested Participant and you incur a Permanent Break in Service (see Question 11), you will forfeit your Individual Account balance.

## **4. How are Hours of Service determined?**

- A.** Hours of Service in a Plan year are determined as follows:
1. Hours worked under the Collective Bargaining Agreement or subscription agreement for which contributions are required to be made to the Plan.

2. Hours worked for a contributing Employer in a non-bargaining unit position, which immediately follow or precede Employment with the same Employer without any intervening quit, discharge or retirement. Such hours are determined for vesting purposes only.

**5. How is Vesting credit earned?**

A. For vesting purposes you earn Years of Service in the following manner:

Hours of Service in a Plan Year	Vesting Service
0-299	0
300-399	3/10
400-499	4/10
500-599	5/10
600-699	6/10
700-799	7/10
800-899	8/10
900-999	9/10
1000 or more	1 year

Different Plan rules govern your Vesting status for Covered Employment prior to June 1, 1976.

**6. What determines the amount of money in my Individual Account?**

A. First, is the amount of Employer Contributions that are paid on your behalf. This money, along with contributions in other Individual Accounts, is invested in accordance with policies established by the Board of Trustees. Accordingly, any interest, dividends, or other earnings received are added to contributions; changes in the value of your Individual investments also result in increases or decreases in the value of the Account. From the accumulation is deducted a share of the expenses of operating the Retirement Fund. All of these factors taken together determine the amount of money in each Individual Account at any Valuation Date.

For a vested Participant, the Plan will accept a rollover or transfer from any other qualified Pension Plan (including under Internal Revenue Code ("IRC") Sections 401(a), 401(k) or other applicable provision), a Plan qualified under IRC Sections 403(b) or 457, a governmental pension plan, an Individual Retirement Account or any other Plan to the extent permitted by the Internal Revenue Code and other applicable law. Vested Participants are permitted to make rollovers and transfers from this Plan in a similar manner. This provision is intended to be interpreted in the broadest manner possible to allow roll overs and distributions as permitted by the Internal Revenue Code.

**ALERT**  
**IF YOU NOTICE FULL CONTRIBUTIONS ARE NOT PAID**

**You should notify the Union and the Plan Office immediately** if you are aware or suspect that your Employer has not contributed to the Plan on your behalf the full amount required under your collective bargaining agreement. If you fail to do so, your Individual Account may *not* be credited with the correct or full amount.

**Benefits for Certain Armed Services under Federal Law.** Pursuant to applicable military veterans' laws, an authorized leave of absence due to certain military service in the U.S. Armed Forces is considered Covered Employment provided that you comply with all of the requirements of applicable federal law, the Plan, and any rules established by the Board of Trustees. This Plan provides benefits only for military service, which is required to be granted under applicable federal law.

To be entitled to such benefits, you must have been working as a Covered Employee during the 90 days prior to your commencement in the Armed Service, have returned to work as a Covered Employee within 90 days following your discharge from the Armed Service, have been honorably discharged and served more than 90 days but less than 5 years. The Board of Trustees has the absolute discretion to determine whether you meet the military service requirements and may require that you certify your periods of Employment and provide any other pertinent information or documentation.

In determining the level of benefits to which you are entitled for the designated military service, the Plan will calculate the Employer Contributions that were made to the Plan on your behalf based on the contributions made on your behalf during the Plan Year immediately preceding the date you commenced such service or, if greater, by using the Plan Year in which you entered the Armed Services.

If your military service did not exceed 90 days, you may be entitled to credit for that period under the Uniform Services Employment and Reemployment Rights Act of 1994.

**7. How is money in my Individual Account invested?**

- A.** With guidance from an investment consultant, the Board of Trustees selects different investment managers to manage your Plan assets. There are two types of funds in which the contributions made on your behalf may be invested. The first is a "Fixed-Income Fund", which is designed to invest in debt instruments, such as bonds and mortgages. Currently, this Fund has monies on deposit with rated insurance companies, mutual funds and in pooled mortgage investments.

The second fund is an “Equity Fund”, which consists primarily of stocks listed on the major exchanges. A portion is also invested in real estate. The investment results of the Equity Fund depend primarily on the dividends of the stock in which it is invested and the market fluctuations of those stocks. Moreover, the real estate portion will fluctuate with values in the real estate market and the income and expenses of such real estate investments.

If you are vested in your Individual Account, an open enrollment form will be mailed to you prior to each of the following open enrollment periods during the Plan Year as follows: February, May, August and November. You may select one of these investment options for contributions made on your behalf during the upcoming open enrollment period. This form must be returned within a specified period if you desire a change in how your Individual Account is invested. If you are vested, your account may be allocated for a given year in the following ways:

1. 100% Equity Fund
2. 75% Equity Fund and 25% Fixed-Income Fund
3. 50% Equity Fund and 50% Fixed Income Fund
4. 75% Fixed-Income Fund and 25% Equity Fund
5. 100% Fixed Income Fund

You are permitted to change your allocation each quarter.

If you are not vested, your individual Account is invested in the 50% Fixed Income Fund and 50% in the Equity Fund.

## **8. Can I change my investment decisions?**

- A.** You are permitted to transfer up to 25% of the Fixed-Income or Equity Account portion of your existing Individual Account (known as “old money”) to the other investment option permitted under the Plan. Any such transfer is permitted semi-annually pursuant to rules established by the Board of Trustees.

Independent of the above option, once you attain age 55, you may at any time make a one-time written election to liquidate your Equity Account assets and transfer the proceeds to the Fixed-Income Account.

**9. What is a Valuation Date?**

- A. The value of each Individual Account was fixed as of May 31, 2002. Since that time, the value of each account will be fixed as of December 31 and each quarter thereafter (March 30, June 30, and September 30). The value is fixed on this date by combining the following factors to determine the value of your account: Employer Contributions, investment income or losses, changes in the value of the Fund's investments, and the expenses of operating the Fund. Currently, the value of each Individual Account is also established monthly. The value of any account on any date between monthly valuation dates is its value on the next monthly valuation date.

**10. When does my Participation Terminate?**

- A. Your participation in the Retirement Plan terminates when:
1. You incur a Permanent Break in Service on the last day of the Plan Year in which you have five consecutive One-Year Breaks in Service, or
  2. You retire and take a total distribution from the Plan, or
  3. You die.

**11. How do I incur a Permanent Break in Service?**

- A. If you are not yet vested, you incur a Permanent Break in Service on the last day of the Plan Year in which you have five consecutive One-Year Breaks in Service as defined in answer to the next Question.

**12. What is a One-Year Break in Service?**

- A. A "One-Year Break in Service" occurs on the last day of any Plan Year during which you fail to earn at least 300 Hours of Service.

**13. Are there special rules for counting Hours of Service for purposes of determining breaks in Service?**

- A. Yes. In general for this purpose, as well as for vesting purposes (see Question 5), Hours of Service will include work for a contributing Employer, which does not require contributions, which immediately precedes or immediately follows Covered Employment with the same Employer. In addition, the following special rules apply to active Participants after July 1, 1985 for purposes of determining whether you have incurred a Break in Service:
1. If you are absent from work because of temporary disability and are receiving Workers Compensation or State Unemployment Disability Compensation, you may be credited with up to 35 Hours of Service per month for up to 24 months.

2. If you are absent from work by reason of your, or your spouse's pregnancy, or because of the birth or adoption of your child, you will be credited with the Hours of Service you would normally have been credited with except for such absence, or 8 hours per day of absence if that cannot be determined. The maximum number of Hours of Service credited under this provision will be 501.

To use the above rules you must request, in writing, to the Plan to either be placed on the temporary disabled list for the period of your disability, up to 24 months, or to have recorded the period of your absence due to rule 2 above. The Hours of Service will be credited to the Plan Year in which the absence occurs if necessary to avoid a Break in Service. The Hours may not be used in determining your existing status.

#### **14. What happens if I have a Permanent Break in Service?**

- A. When you have a Permanent Break in Service, all amounts in your Account are irrevocably forfeited. That means that you have no pension benefit with this Plan. Account forfeitures are used to pay administrative expenses and make up delinquent contributions. Excess forfeitures may be allocated to accounts of Participants who had 300 or more Hours of Service in the Plan Year.

#### **15. When can I receive the money in my Account?**

- A. You can receive the money in your Account at any of the following times, provided you are vested in the Plan:
  1. **At Normal Retirement:** If you have attained your Normal Retirement Date, age 65 or if later, the fifth anniversary of participation in the Plan, you are vested under the Plan, and are retiring from the Electrical Construction Industry. You are considered to be retired when you reach age 65 and work less than 40 hours per month in the Electrical Construction Industry in San Mateo County.
  2. **Early Retirement** – When you stop working as an Electrician: When you reach age 55, you may apply for payment of your Individual Account balance if you are no longer working as an Electrician. For this purpose, you will be considered to be working as an Electrician if you are employed or are working in the Electrical Construction Industry in California.

**To be entitled to a distribution, you must have terminated your work in Covered Employment (or any employment in the Electrical Construction Industry).** To enforce this rule, which is required by the Internal Revenue Code and the IRS, the Plan provides that no distribution can be made until at least 30 days has elapsed since your last Covered Employment. If you work in Covered Employment during that period, you will NOT be entitled to a

distribution from the Plan (because you will not have incurred a termination of Employment).

The Board of Trustees requires that you declare under penalty of perjury or otherwise that you are not working as an Electrician or otherwise in the Electrical Industry. The Board may require such proof as often as it deems is reasonable under the circumstances. The Board may delegate this responsibility to the Fund Manager, legal counsel or to any other person or entity acting on behalf of the Plan.

### **Electrical Construction Industry Defined**

The term “Electrical Construction Industry” means all branches of the Electrical Industry. This includes working as a supervisor, estimator, salesman, consultant, or self-employed in any branch of the Electrical Construction Industry, or any other work involving any Electrical knowledge you have acquired as a Participant. Such work, known as Prohibited Employment, includes, but is not limited to (1) work in Employment of the type performed by Employees covered by the Plan whether or not under a Collective Bargaining Agreement, also known as “Covered Employment”; (2) work which requires directly or indirectly the use of the same skills used by Employees covered by the Plan on the date the Pension became effective; (3) work in Employment for compensation or wages of any kind or for profit in the Electrical Construction Industry; (4) work for profit as an owner or partner in any business directly or indirectly connected with the Electrical Construction Industry; (5) work where you supervise Employees in the same trade or craft or directly or indirectly use the same skills as Employees covered by the Plan on the date you retire.

“Prohibited Employment” is interpreted in the broadest manner. It includes Employment in which a salary is paid (which includes payment based on an hourly, daily, weekly, bi-weekly, bi-monthly, monthly, annually or any other rate), work in which the Pensioner is considered an “independent contractor” work in which the Pensioner receives anything of value (or is to receive anything of value) in exchange for services rendered.

- 3. If you become Permanently Disabled:** Regardless of your age, if you are unable to continue work in the Electrical Construction Industry because of your permanent and total Disability you may apply for the money in your Individual Account, whether or not you are vested. You are considered to have a permanent Disability only if you are entitled to a Social Security Disability Benefit, which is effective during the time in or immediately following your work in Covered Employment.

The Board of Trustees may at any time require evidence of your continued Disability under the preceding paragraph before paying continuing benefits.

- 4. If you Die:** If you die prior to retirement, your Account will be distributed to your beneficiaries (see Question 19). If you die after retirement, benefits will be paid in accordance with the benefit option you selected when you retired.

5. **At age 70-1/2:** Your Account must begin to be distributed to you by April 1 of the calendar year after you attain age 70-1/2, unless you elect to keep working in Covered Employment.

Please note that except for Death or Disability, no distributions are allowed before you attain age 55.

**16. What is the exact amount of money I will get when I terminate my Individual Account?**

**A.** Due to the fluctuation in the yield on the Plan's investments and the uncertainty of future Employer contributions, the exact amount you will receive in the future when you desire a distribution of your Individual Account cannot be determined now. The amount you receive will be calculated as follows:

- The sum of all the contributions made on your behalf, plus
- Investment earnings credited to your Account minus any losses, plus
- Changes in the value of the Fund's investments, minus
- Your share of the expenses of operating the Fund.

**B.** A statement is sent to you quarterly showing the value of your Individual Account, including the amount of Employer contributions made to the Plan on your behalf (including the name of your Employer(s), the value of each share if you are in the equity portion of the Plan, and the value of your fixed dollars if you are in the fixed portion of the Plan. The statement includes your contribution rate, the prior year fixed interest rate and recent share values, if applicable.

**17. How will my Account be paid?**

**A. Married Participants – Joint and Survivor Annuity**

1. **Benefit Amount.** If you are married when you file your pension application, the Plan's automatic form of retirement benefit is a Joint and 50% Survivor Annuity (known as "Spousal" Annuity), unless your Individual Account balance is \$5,000 or less. (See Important Facts below if your balance is \$5,000 or less.) The Joint and Survivor Annuity provides a reduced lifetime pension, and after your Death, a lifetime pension for your surviving spouse equal to one-half the monthly pension amount paid to the Pensioner.

If you select the Joint and Survivor Annuity benefit, the Plan will use your Individual Account balance to purchase an Annuity from an

insurance company or other entity at then current market rates or otherwise provide you with such a benefit.

With the consent of your lawful spouse you may, however, waive the Joint and Survivor Annuity and select one of the benefit options described in Section D below.

- 2. Spousal Waiver/Beneficiary Designation.** A married Participant and spouse's election not to select the Joint and Survivor Annuity is effective only if your lawful spouse consents to such election, such consent is witnessed by a Plan representative or notary public, a beneficiary is designated with the spouse's consent, and the form of payment to the beneficiary is also stated.

You are not allowed to designate a beneficiary other than your lawful spouse to receive your account without your spouse's written consent on the forms furnished by the Plan. If you subsequently desire to revoke such beneficiary designation and to choose another non-spouse beneficiary, your lawful spouse must consent to such revocation and alternative beneficiary selection.

- 3. Explanation Given to Participant/Election Period.** The Plan will provide you with a written explanation of the Joint and Survivor Annuity. Your completed application for payment of your Individual Account should be submitted to the Fund Office well in advance of your anticipated retirement date or other proposed date for withdrawal of your Individual Account. You and your spouse may waive the Joint and Survivor Annuity benefit during the 180-day period prior to your anticipated benefit commencement date. These time periods may be waived in certain situations in accordance with Department of Labor regulations to permit an earlier distribution.

## **B. Important Facts About the Joint and Survivor Annuity**

- 1. Irrevocable Once Payments Commence.** If you elect a Joint and Survivor Annuity, you may not withdraw or change such coverage after your first pension payment has been made.
- 2. Later Divorce Has No Effect.** If you retire on a Joint and Survivor Annuity and subsequently divorce your spouse, your pension will not be increased to the level you would have received had this coverage not been provided. In most instances your former spouse will continue to be entitled to her portion of your pension. Moreover, if you subsequently remarry, you may not transfer your spouse coverage to your new spouse.
- 3. Mandatory Lump Sum Payment – Small Balances.** Notwithstanding the Joint and Survivor Annuity rules above, if your Individual Account Balance is \$5,000 or less and you are entitled to a distribution, such amount shall be distributed in a lump sum regardless of your desires.

Pursuant to federal law, no spousal consent is required for such a distribution.

### **C. Normal Form of Benefit – Single Participant**

The normal form of benefit for a Single Participant is a life annuity. A life annuity is a series of monthly pension payments to extend for the balance of your life. If you choose this option, the Plan may purchase an annuity from an insurance company or other entity at the then current market rates or otherwise provide you with such a benefit.

### **D. Benefit Options**

You may elect to have your account paid to you either in a lump sum, partial lump sum, installments or through the purchase of an annuity from an insurance company of your choice.

#### **1. Partial Lump Sum**

If you desire a partial lump sum distribution from your Individual Account with the Plan, the lump sum distribution shall be made from the Participant's Fixed Income Account. If there are insufficient funds in the Participant's Fixed Income Account, the remaining amount shall be paid from the Participant's Equity Account. Based on the additional processing time necessary for liquidating the Equity Account, the distribution of this remaining amount may take an additional period up to ninety days.

#### **2. Monthly Payments**

If you elect the fixed periodic payments monthly benefit option, you may elect to retain up to one-half of your Individual Account balance in the Equity Fund. The remaining portion of the Account will be invested in the Fixed Income Fund from which you will receive the monthly payments.

Each year, in the month of February, or as soon thereafter as possible, the Plan Office will make a determination whether there are sufficient funds in the Participant's Fixed Income Account to provide sufficient monthly payments during the following twelve month period. If not, the Plan Office will convert a sufficient amount of the Participant's equity shares in the Equity Fund and have such funds transferred to the Fixed Income Fund to permit payments over the following twelve-month period.

### **3. Installments**

If you elect the installment form of payment under the Plan, you need to consent to having the entire balance in your Individual Account transferred to the Fixed Income Account.

Pursuant to the Internal Revenue Code and lawful regulations issued hereunder, the Plan may be required to adjust the monthly pension being paid from the Plan when a Participant reaches age 70-1/2 (known as the Required Minimum Distribution).

As noted above, if you are married, unless you and your spouse elect otherwise, your Account must be used to purchase a Joint and 50% Survivor Annuity, which will provide a monthly pension for your life with a 50% continuation to your spouse if your spouse survives you. The amount paid during the life of the Employee shall be actuarially reduced from the Normal or Early Monthly Benefit. If you are married, your spouse must consent in writing to any form of distribution other than such Joint and Survivor Annuity.

If you elect to receive installment payouts and there has been at least a 60-day separation from the date of retirement from the Electrical Construction Industry, you may be re-employed in the industry for up to 474 hours per calendar year and continue to receive your installments, and be credited with contributions for those hours.

### **4. Lump Sum/Rollover**

You may be entitled to a Direct Rollover of all or a portion of the balance of your Account to an Eligible Retirement Plan or an Individual Retirement Account (IRA). You may contact the Fund Office for information concerning your Rollover rights. See also Question 18B below.

You cannot, however, roll over a distribution made (1) in a series of equal (or almost equal) periodic payments for your life or the joint lives of you and your Spouse and other Beneficiary or (2) as a "required minimum payment" beginning on April 1<sup>st</sup> of the year after the year during which you reach age 70-1/2 (or thereafter). Thus, you may not rollover your monthly Pension received under a Joint and 50% Survivor Annuity or a Life Annuity. There may be other benefits that may not be rolled over.

### **5. Optional 100% Joint and Survivor Annuity**

A married Employee may, with the written consent of his spouse as provided in Section A above, elect a 100% Survivor Annuity, which shall be identical to the 50% Joint and Survivor Annuity, except that the amount paid during the life of the spouse shall be equal to one hundred percent (100%) of the amount paid during the life of the Employee. The amount paid during the life of the Employee shall be actuarially reduced from the Normal or Early Monthly Benefit.

## 6. Optional 75% Joint and Survivor Annuity

A married Employee may, with the written consent of his spouse as provided in Section A above, elect a 75% Survivor Annuity, which shall be identical to the 50% Joint and Survivor Annuity, except that the amount paid during the life of the spouse shall be equal to seventy-five percent (75%) of the amount paid during the life of the Employee. The amount paid during the life of the Employee shall be actuarially reduced from the Normal or Early Monthly Benefit.

## E. Required Distributions At Age 70-1/2

You may maintain your interest in this Plan even after your retire; however, under the Internal Revenue Code, the Plan must commence paying your benefits no later than April 1 following the year in which you attain age 70-1/2 or the date you retire, whichever is later. This is known as your Required Minimum Distribution or "RMD". Although you may take your first RMD by the end of the calendar year in which you turn 70-1/2, you can delay taking that first distribution until April 1 of the year following the year in which you turn 70-1/2. If you wait, you will have to take two distributions in that same year (the second one by December 31). Consequently, you may want to compare the advantage of leaving the money in your account for as long as possible with the tax consequences of taking two distributions in one year. All subsequent RMDs must be taken by December 31 of each year.

Your RMD is calculated each year according to IRS guidelines. If you take only your RMD, the remaining part of your Individual Account balance can remain in the Plan and continued to be tax-deferred. You can take more than the minimum. **Not taking the RMD, however, will result in a significant penalty.** (If you own five percent or more of a contributing employer, the Plan will be required by IRS rules to commence paying your benefit at age 70-1/2 even if you are still working.)

A Participant who refuses to accept payment of benefits when he or she becomes entitled thereto is presumed to have elected to defer payments until age 70-1/2.

If a married Participant attains age 70-1/2 but refuses to file a pension application, the Plan may determine that the Participant will be deemed to have elected a Joint and 50% Survivor Annuity. In determining such benefit, the Participant's spouse will be deemed to be five years younger than the Participant. (If the Plan is uncertain whether a Participant is married, it will presume that the participant is married.) If the Plan subsequently learns that the spouse is younger, the Plan will be allowed to make any appropriate adjustment, including a reduction in benefits. The Plan has the discretion to commence making any such payments directly from the Plan, and later to purchase an annuity.

**WARNING – POTENTIAL IRS PENALTY**  
If your benefits are not paid by Age 70-1/2)

The IRS assesses a severe penalty against you if you do not begin receiving your pension benefits by April 1 of the year following the date you attain age 70-1/2 or the date you retire, whichever is later. If you are a 5% owner, you must begin receiving your benefits at age 70-1/2 even if you are still working.

**F. Internal Revenue Code Distribution Rules – Upon Your Death**

The Plan is required under the Internal Revenue Code to contain certain additional benefit distribution rules pertaining to what happens if you die. For example, if you die after payment of your Individual Account has commenced and a portion of your Individual Account remains to be paid, payment to your beneficiary must be distributed at least as rapidly as provided in the form of payment to you at the time of your Death.

If you die before distribution of your Individual Account has begun, distribution of your Individual Account must be completed by December 31 of the calendar year containing the fifth anniversary of your Death. If, however, your benefits are payable to a designated beneficiary, the distribution may be made over the life (or life expectancy) of your designated beneficiary, but payments must commence on or before December 31 of the year immediately following the year in which you die.

If, however, your spouse is the beneficiary, he or she does not have to commence receiving benefits until April 1 following the year you would have attained age 70-1/2.

**18. Do I have to pay tax on the money in my Individual Account?**

- A.** That depends. The amount credited to your Individual Account is not considered taxable income to you until you actually receive the money. When you are paid the money in your Individual Account, it is taxable income. When you terminate your Account, you could be dealing with substantial amounts of money. If you choose a lump-sum payment of your Account, the amount paid is subject to a mandatory 20% withholding for taxes, unless the money is paid from the Fund directly to another qualified Plan or IRA. It is therefore very important that you discuss with a competent tax advisor the manner in which you should take the money from your Individual Account. There may be serious tax consequences concerning the way these payments are made to you. Advice of this nature, which cannot be provided by the Fund Office, could result in tax savings.

### **Warning Regarding Potential Adverse Tax Impact – Large Lump Sum**

Federal tax withholding on your pension payment may be insufficient to meet your tax obligations when you file your tax return, particularly if you take a large partial or total distribution from the Plan. Your Plan distribution, which will increase your taxable income, may, in many instances, **place you in a higher tax bracket requiring a tax payment of much more than the amount withheld by the Plan for you** (plus there may be additional state tax). You are advised to contact a tax advisor prior to taking a Plan distribution.

### **B. Rollovers and Tax Withholding Rates**

The rollover rules apply only when you are entitled to receive your benefits. If you are eligible to receive your benefits in a lump sum or in periodic payments of less than ten years, your distribution qualifies for “rollover” treatment and can be taken in two ways.

You may have all or any portion of your pension either 1) paid in a “DIRECT ROLLOVER” or 2) paid to you. A rollover is a payment of your Plan benefits to a traditional individual retirement arrangement (IRA) or to another qualified Employer Plan. A “traditional IRA” does not include a Roth IRA, SIMPLE IRA, OR A Coverdell Education Savings Account (formally known as an “Education IRA”). A qualified Employer Plan includes a plan qualified under Section 401(a) of the Internal Revenue Code, including a 401K plan, profit sharing plan, defined benefit pension plan, stock bonus plan, and a money purchase pension plan; a Section 403(a) annuity plan; a Section 403(b) tax-sheltered annuity; and an eligible Section 457 (b) plan maintained by a government employer.

Required distributions such as when you attain age 70-1/2 or retire, whichever is later, cannot be rolled over pursuant to Internal Revenue Code requirements. Spouses and other beneficiaries may also roll over certain distributions from the Plan.

The choice you make will affect the tax you owe, as follows:

#### **1. Direct Rollover.** If you choose a DIRECT ROLLOVER:

- Your payment will not be taxed in the current year and no income tax will be withheld.
- Your payment from the Plan must be made directly to your traditional IRA or if you choose, to another qualified Employer Plan that accepts your rollovers. A traditional IRA does not include a Roth IRA, Simple IRA or Coverdell Education Savings Account.
- But, your payment will be taxed later when you take it out of the IRA or Employer Plan. Depending on the type of plan, the later distribution

may be subject to different tax treatment than it would be if received from this Plan.

## **2. Benefits Paid Directly to You. If you choose to have your Plan benefits PAID TO YOU:**

- You will receive only 80% of the payment, because the Fund Office is required by law to withhold 20% of the payment and send it to the IRS as income tax withholding to be credited against your taxes. (This is so even if you later decide to roll over your pension distribution within 60 days of your receipt of it.)
- Your payment will be taxed in the current year unless you roll it over. You may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before the Plan's early retirement age of 55, you may also have to pay an additional 10% tax.
- You can roll over all or part of your payment to your traditional IRA or to another eligible Employer Plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the traditional IRA or the eligible Employer Plan.
- If you want to roll over 100% of the payment to a traditional IRA or an eligible Employer Plan, you must find other money to replace the 20% that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

## **3. Your Right to Waive the 30-Day Notice Period.**

Generally, neither a Direct Rollover nor a payment can be made from the Plan until at least 30 days after your receipt of this notice. When you desire your benefits, you will have 30 days to consider whether to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether you wish to make a Direct Rollover. Your withdrawal will then be processed in accordance with your election as soon as practical after the Plan Office receives it.

## **4. Distributions Not Eligible for Rollover.**

You cannot roll over a distribution made (1) in a series of equal (or almost equal) periodic payments for your life or the joint lives of you or your spouse or other beneficiary, or (2) as a "required minimum payment" beginning on April 1<sup>st</sup> of the year after the year during which you reach age 70-1/2 (or thereafter). Thus, you may not roll over your monthly Pension received under a Joint and 50% or 100% Survivor Annuity or a Life Annuity. Nor may a Preretirement Survivor annuity paid to your

surviving Spouse be rolled over. There may be other benefits that may not be rolled over. You may want to consult with a tax advisor.

There are different rules for recipients of benefits such as surviving spouses.

## 19. How do I designate a beneficiary for my Account?

- A. You make your beneficiary designation on a form provided by the Fund Office. If you are married and you die before retirement and withdrawal of your funds, your Individual Account will be paid to your spouse unless the spouse has consented (in writing before a notary or plan representative) to an alternate beneficiary designation. Any amount payable to your spouse will be used to purchase an annuity for the spouse (known as a preretirement survivor annuity) unless the spouse elects a lump sum or installments. If you and your spouse cease to be married, any prior designation of your spouse as beneficiary will automatically be deemed revoked. Thus, you should immediately file a new beneficiary form if you divorce.

If no beneficiary form is on file, payment to your Account will be made in the following order of priority:

- To your surviving spouse, if any; if none
- To your surviving children, in equal shares, if none
- To your estate.

### **WARNING – EFFECT IF YOU MARRY OR DIVORCE**

Under the Plan, if you become married, any previous designation of a beneficiary other than your current spouse is automatically revoked and is invalid. Similarly, if you are married and then divorce prior to retirement, any previous designation of your former spouse as a beneficiary is automatically revoked and is no longer valid. ***Thus, upon entry of a final decree of dissolution or after you marry you should immediately submit a new beneficiary form to the Fund Office.***

## 20. How do I or my beneficiary apply for Benefits?

- A. To receive your Plan benefits, you must file an application with the Fund Office. All claims for benefits should be filed on Plan forms, which are available from the Fund Office.

Pensioners and Beneficiaries may have their monthly benefit directly deposited electronically into an account at a bank, savings and loan, credit union, or other financial institution. You must complete the form and return it to the Fund Office to indicate the bank or other financial institution to receive your electronic deposit.

## **ALERT – IMPACT OF DIVORCE**

Unresolved disputes as part of a divorce action that affects your pension benefits may delay payment of your pension.

If the Plan is notified of a pending divorce or receives a court pleading known as a Joinder Request (or a similar document), the Plan has the discretion to delay paying your benefits for a reasonable period to allow time for the parties to prepare a Qualified Domestic Relations Order (“QDRO”) even if your pension application is on file. If it appears that your former spouse or other alternate payee is seeking only a portion of your pension or there are delays in processing the QDRO, the Plan may, at its discretion, distribute to you that portion of your pension that is not addressed by the pending QDRO. (See Question 23 below for more information on this subject.)

### **21. What is the procedure to follow if my application is denied?**

#### **A. Claims and Appeal Procedure**

The Plan, which is available for review by appointment at the Fund Office, contains a Claims and Appeal Procedure that must be followed. Be sure to read the Claims Procedure carefully before filing a claim or a lawsuit involving the Plan or Trust, the Board of Trustees, the Trust Fund, or any plan fiduciary or representative.

The purpose of the Claims Procedure is to make it possible for claims and disputes to be resolved fairly and efficiently without necessitating costly litigation and attorneys’ fees. The Plan specifically states that no lawsuit may be brought unless the Plan’s Appeal Procedures are followed first. (See Section E below for the time allowed for filing lawsuits).

#### **B. Notice of Claim Denial**

If your claim is wholly or partially denied the Fund Office will provide you with a written Notice of Claim Denial, containing the following:

1. The reason or reasons for the denial.
2. A description of any additional material or information, which may be necessary for a review.
3. Information as to how to submit your claim for further review. You may request a review of the claim denial, also known as an appeal, by filing a written application for such review within 60 days after receipt of the written notification of the denial.

#### **C. Appeal of Claim Denial**

To have your claim reviewed, however, you must file a written appeal with the Fund Office within 60 days of your receipt of the Board’s initial denial of your claim. Your appeal must state the specific reasons the denial of the

claim was in error. If you fail to submit your appeal in the 60-day period, you lose your right to pursue the matter.

If you do appeal, you may submit supporting documents or records, and you may examine records pertinent to your dispute, which are in the possession of the Plan.

A review of your appeal will be held and a decision rendered by the next regularly scheduled Trust meeting, unless the appeal is received within 30 days of such meeting or special circumstances exist requiring additional time. You may request or you may be requested by the Board of Trustees to appear at a hearing on your appeal. The Trustees, however, have the sole discretion whether to hold a hearing and whether to allow you to appear at such a hearing.

The decision on review will be in writing and, if your appeal is denied, will include specific reason(s) for the denial. Upon exhausting these procedures, if you are still not satisfied, you may file a lawsuit. Lawsuits must be filed within two years of any such denial on appeal.

#### **D. Disability Claims and Appeals**

Appeals involving disability claims and/or determinations are required to be reviewed within 45 days of the Plan's receipt of the appeal unless special circumstances exist. An extension of time not exceeding 30 days may be necessary due to matters beyond the control of the Plan.

The notice of extension will include, in addition to the reasons for the denial, the standards on which entitlement to the benefit is based, the unresolved issues that prevent a decision on the claim and the additional information needed to resolve those issues. The Claimant would have at least 45 days to provide the specified information, if any. The deadline for the Board of Trustees to render its decision is tolled from the date on which the notification of the extension is sent to the Claimant until the date a response from the Claimant is received.

Any notice of any adverse benefit determination shall include, in addition to the reasons for the denial, (1) the specific rule, guideline, protocol, or other similar criterion, if any, relied upon in making the determination; and (2) an explanation of the scientific or clinical judgment for the determination if the adverse benefit determination was based on medical necessity or other similar exclusion or limitation.

If the application for benefits is denied, the Claimant or the Claimant's duly authorized representative may petition the Trustees for review of the decision. The petition for review shall be filed by the Claimant or the Claimant's duly authorized representative with the Plan Office within 180 days of receipt of the notification of adverse benefit determination. The Claimant shall have access to relevant documents, records and other pertinent information, including any statement of policy or guidance with respect to the Plan concerning the denied treatment option or benefit for the

Claimant's diagnosis, without regard to whether such advice or statement was relied upon in making the benefit determination. If the adverse benefit determination is based in whole or in part on a medical judgment, the Trustees shall consult with a health care professional with appropriate training and experience in the field of medicine involved in the medical judgment. Such consultant shall be different from any individual consulted in connection with the initial determination and may not be the subordinate of any such person.

The Claimant shall be notified of the Trustees' decision in writing. Any notice of adverse benefit determination shall include, in addition to the reasons for the denial, (1) the specific rule, guideline, protocol, or other similar criterion, if any, relied upon in making the determination; and (2) an explanation of the scientific or clinical judgment on which adverse benefit determination was based.

#### **E. Two Year Limitation Period for Filing Lawsuits**

Upon exhausting the above Claims and Appeal Procedures, if you are still not satisfied, your next step is to file a lawsuit if you so desire. No legal action may be commenced or maintained against the Plan, a Trustee, the Board of Trustees, or other persons or entities involved with the denial or decision on appeal or other adverse action more than two years after the Trustees' determination.

### **22. Can I borrow money from my Account?**

- A.** The Plan contains a loan provision. To be eligible for a loan, an individual must be an Active Vested Participant of the Plan. An Active Participant for purposes of a Participant loan is defined as an individual for whom employer contributions have been made (or required to be made) for at least nine of the twelve months immediately prior to the loan.

A Vested Participant with a balance of at least \$5,000 in his or her Individual Account is eligible to apply for a Participant loan from the Plan in accordance with rules adopted by the Board of Trustees. Loan proceeds will be withdrawn from the fixed income portion of a Participant's Individual Account.

Vested Participants may borrow up to one-half of the Participant's Individual Account balance for loans for the purchase or renovation of a primary residence, up to a maximum of \$50,000. The minimum loan amount is \$1,000. Participant loans, which have as their purpose the purchase, or renovation of a primary residence may be for up to 20 years. However, Participants requesting a repayment period of more than five years are required to submit a contract of sale or equivalent proof that the loan purpose is for the purchase or renovation of a primary residence. Participant loans for any purpose other than the purchase or renovation of a primary residence may be for a maximum repayment period of 5 years.

The value of the Individual Account is determined as of the most recent quarterly statement prior to submission of the loan application form and shall not include or anticipate any contributions received or which are receivable from and after said Valuation Date immediately preceding the date the application is received by the Plan.

The Plan shall charge interest on the loan. The initial interest rate shall be the prime rate plus one percent. This rate may be changed at any time.

Participants will be required to pay a monthly fee to cover the administrative and other costs of a loan. The Plan will assess a delinquency fee for each monthly payment not paid in full by the due date. Additional fees may be assessed for such a default.

If a Participant is married at the time of a loan, no loan may be secured by the Participant's Individual Account balance unless the spouse has provided written consent.

The Board of Trustees may declare that a loan payment is in default and, if so, the Board of Trustees shall charge the Participant's Individual Account with the balance of the loan, any costs incurred relating to such loan default (including attorney's fees) and any fee charged by the institution administering the loan.

Pursuant to applicable Internal Revenue Code regulations, the Plan will notify the Internal Revenue Service of any loan declared to be in default (i.e., reported on Form 1099-R.) When a loan is in default, the entire balance due is considered taxable, including accrued interest through the date of default.

Participants who are absent from Covered Employment due to certain military service may have their loan payments suspended during the term of the military service. (See the Plan Office for more details.)

The Plan Office is responsible for administering the Plan.

If a Participant defaults on a Participant Loan, he or she will not be eligible for another loan from the Plan.

**WARNING REGARDING PARTICIPANT LOAN PROGRAM**

The Internal Revenue Service has established strict guidelines for Participant Loans that must be followed. For example, if too many Participants default on their Participant Loans, the IRS could take the position that the Board of Trustees is not properly administering the Loan Program and that the Plan is not being run, as intended, as a retirement program. Thus, the Board of Trustees reserves the right to terminate the Participant loan program at any time or to cease making any new loans.

### **23. May I assign my Benefits?**

- A. Neither you nor any Beneficiary can assign any of the benefits paid by the Plan. If you are or have been married, however, your benefits may be paid to your spouse or children pursuant to a Qualified Domestic Relations Order in a form that complies with applicable law. In addition, the Plan may be required to comply with an IRS lien on your Plan benefits.

### **24. Are special procedures available when a Qualified Domestic Relations Order is received?**

- A. Yes. If a Qualified Domestic Relations Order, also known as a "QDRO", allocates all or any portion of your account to your spouse (including for past or current child support), an Individual Account will be established for your former spouse subject to the following:
- Your spouse may elect to either allow the sub-account to be maintained with its current allocations between Equity and Fixed-Income Funds or be allocated entirely to the Fixed-Income Fund.
  - Your spouse will have 30 days from the date the spouse's account was established to make the election.
  - If no election is made, the spouse's sub-account will be transferred to the Fixed-Income Fund as of the last day of the month in which the election was due.
  - No future contributions will be added once the spouse's account is established, unless otherwise provided by a lawful court order.

### **25. Are Plan Documents available to Participants and Beneficiaries?**

- A. Yes. Copies of the Trust Agreement, Plan, any Plan Amendments, and a summary of the annual report are available at the Fund Office during regular business hours and upon written request will be furnished by mail. You may also set an appointment to review these documents at the Fund Office.

A copy of your Collective Bargaining Agreement and a full Annual Report (Form 5500) are also available upon written request.

This explanation of the Retirement Plan is only a brief and very general statement of the most important provisions of the Retirement Plan. No general summary such as this can adequately reflect all the details of the Plan. Nothing in this summary is meant to interpret or extend or change in any way the provisions expressed in the Plan itself. The rights of a Participant or Beneficiary can only be determined by consulting the actual text of the Retirement Plan.

## **26. Who Runs the Plan?**

- A.** The Plan is administered by a Board of Trustees consisting of up to ten Trustees. Up to five (5) Trustees called “Employer Trustees” are selected by the N.E.C.A. San Mateo Chapter, and up to five (5) Trustees, called “Union Trustees”, are selected by IBEW Local 617. The current Trustees are listed on page 28 of this booklet.

The Trustees have many powers and functions including, among others, adopting lawful rules or regulations to guide them in administering the Plan, interpreting Plan provisions and rules, amending the Plan, deciding policy questions, investing and safeguarding Plan assets and appointing advisors, consultants and professionals, such as an auditor, legal counsel and investment managers. The Trustees have delegated the day-to-day administration of the Plan to United Administrative Services, a professional plan manager. The Trustees have contracted with several Investment Managers, who have the duty to prudently invest your Pension Fund. Further, the Trustees have contracted with Morgan Stanley Dean Witter, a nationally known investment firm, to monitor the Plan’s investment managers.

The Board of Trustees has the discretionary authority to determine benefit claims and appeals, to construe the terms of the Plan, any amendments, and to make all other decisions relating to the Plan and Plan Participants.

Your Individual Account is pooled with amounts in other Individual Accounts for investment purposes. The Investment Managers provide the Trustees with periodic reports setting forth the Plan’s assets and investment earnings or losses. A Certified Public Accountant audits the Plan’s assets annually as of the last day of each Plan year.

## **27. What Contributions are made to the Plan and What is the Process for such Contributions?**

- A.** Employer Contributions are made on your behalf to the Trust for this Plan pursuant to Collective Bargaining Agreements with IBEW Local 617 or through subscription agreements with the Plan. Contribution rates for each hour of your Employment are set, from time to time, by the parties to the Collective Bargaining Agreements. Your Employer is required to contribute only for such hours of work that are required by the bargaining agreement.

The bargaining agreements provide for different rates of contributions to the Plan depending on your classification of employment, which is based on industry seniority. The Union Office has information on these classifications.

There is no minimum age for participation, as your Employer must contribute to this Plan for all your hours of Employment as long as you are employed and covered by the bargaining agreement. (The Plan does not

permit Employee Contributions but does permit rollovers in compliance with Internal Revenue Code provisions.)

Your Employer is required to make contributions for your hours of work by the 20th day of the month succeeding the month in which your hours of work were performed. Your Employer forwards a transmittal form that contains the names and hours of work performed by each Covered Employee together with a check made payable to the Trust to the Fund Office. The Fund Office credits your Individual Account with the amount of contributions made by your contributing Employer for allocation to your Individual Account.

The Fund Office checks the Employer's report for mathematical accuracy and notifies the Employer if there is an error in the Employer's computations, which requires correction. Any checks from Employers are transmitted to the custodial bank, which allocates sums contributed to the Pension Plan bank account. Each month the Fund Office makes the necessary computer entries reflecting the contributions made on your behalf.

You may obtain a list of contributing Employers, their addresses and a copy of your Collective Bargaining Agreement upon written request to the Fund Office.

## **28. How could I lose money?**

- A.** You or your beneficiary could suffer a loss in the value of your Individual Account balance or have payments delayed in the following circumstances:
- 1. Investment Losses.** Your Individual Account balance could decrease if the Plan incurs investment losses, such as the depreciation in the market value of Plan assets.
  - 2. Plan Expenses.** Plan expenses will decrease the amount of return you would otherwise earn on your Plan assets. You will incur a loss if your share of Plan expenses exceeds your contributions and earnings in a Plan year. Moreover, if your Individual Account has no activity for two consecutive Plan Years (other than the posting of earnings and expenses) and the account balance is \$100.00 or less, your account would terminate and the proceeds used to pay Plan expenses.
  - 3. Domestic Relations Order or Child Support Order.** All or a portion of your Individual Account could be assigned by a Qualified Domestic Relations Order (QDRO) to your spouse, a former spouse, or for support of your children or other lawful dependent.
  - 4. Prohibited Employment.** If you engage in prohibited Employment in the Electrical Construction Industry after retirement, your benefits will be suspended.

- 5. Incomplete Application.** Your benefits will not be paid if you fail to file a completed application or other forms required by the Fund Office.
- 6. Inaccurate Information.** If you fail to provide information or give false information to verify disability, age, beneficiary information, or other vital information, there would be a delay in the payment of your benefits.
- 7. False Statements to Plan.** If you make a false statement to the Plan or other officials regarding the payment of benefits or other issues related to the Plan, you will be liable to the Plan for any benefits paid in reliance on such false statements or information, and any attorney fees and costs incurred in effecting recovery or which were incurred as a result of the false statement or information. This includes but is not limited to costs incurred by the Fund Office, reasonable attorney fees, and interest charges. The Plan may deduct any such fees and costs from any benefits otherwise payable to you or other persons.
- 8. Disappear.** If you are eligible to receive your benefit and you disappear for five years and the Fund Office is unable to locate you despite reasonable efforts and neither you nor any beneficiary submits an application for benefits, your Account will be terminated.
- 9. Benefit/Contribution Limits.** Your annual contribution cannot exceed the maximum amount allowed by the Internal Revenue Code and applicable regulations. Although the Trustees do not foresee this occurring, the Plan contains provisions to address this situation.
- 10. Employer Delinquencies.** If your Employer fails to make contributions to the Plan on your behalf for your Covered Employment, you may lose benefits to which you would be entitled. In addition, pursuant to Internal Revenue Service requirements, certain Employer delinquencies are considered Plan expenses to be shared by all Plan Participants. Thus, if there are serious delinquencies by a contributing Employer which the Board of Trustees has determined are not recoverable, the Plan's expenses could increase, resulting in a decrease in the value of your Individual Account even though you do not work (or have not worked) for the particular delinquent Employer(s).
- 11. Default on a Participant Loan.** If you default on a Participant loan you will lose your entitlement to such defaulted amount, be required to pay state and federal income tax on the defaulted amount and could be assessed a penalty by the IRS.
- 12. Time Lag in Distribution.** Because there may be a time lag between the time you request a distribution of your Plan benefit, there might be a difference in the fair market value at the time you ask for the distribution and when you receive the distribution.

**13. Refund Overpayments.** If the Plan mistakenly makes an overpayment to you or your beneficiary, you (and/or your beneficiary) will be required to reimburse the Plan. If the Plan is forced to incur legal fees and costs to recover said amounts you and/or your beneficiary will be responsible for such fees and costs.

## **29. Can the Plan be Amended or Terminated?**

### **A. Amendment of Plan**

The Board of Trustees may amend the Plan at any time.

Any amendment may apply to all groups and/or Participants covered by the Plan or only to certain groups of Participants. Retroactive amendments may be made to the extent permissible under ERISA and other applicable law. Except as is permitted or required by applicable law, no amendment may divest accrued benefits which have previously been vested or been approved.

### **B. Termination of the Plan**

The parties to the Collective Bargaining Agreement may terminate the Plan in whole or in part. Although there is no intent to terminate the Plan, there is no guarantee that the Plan will last forever.

In the event of termination or partial termination of the Plan, the assets then remaining, after providing for the expenses of the Plan and for the payment of any Individual Account theretofore approved, could be distributed among Participants, and each Participant would be 100% vested in his or her Individual Accounts of all Participants. The assets are not returned to any Employer.

### **C. Merger or Consolidation**

In the event of a merger or consolidation of the Plan with, or transfer in whole or in part, of the assets or liabilities of the Plan to any other pension plan, each Participant is entitled to a benefit immediately after the merger, consolidation or transfer which is at least equal to the benefit such Participant would be entitled to before such merger, consolidation or transfer.

## **INFORMATION REQUIRED BY ERISA**

### **1. Name of the Plan**

San Mateo County Electrical Construction Industry Retirement Plan.

### **2. Type of Plan**

The Plan is a defined contribution plan within the meaning of ERISA, which is not a plan covered by the plan termination insurance provision of the Act.

### 3. Plan Administration

The Plan is administered by the Board of Trustees composed of an equal number of Employee and Employer representatives. (Temporary vacancies could result in an unequal number of Trustees.) Its name, address (which is the official Fund Office), telephone number, Employer Identification Number (EIN) and the Plan Number are as follows:

Name: Board of Trustees  
San Mateo County Electrical Construction Industry Retirement Plan

Address: 1120 South Bascom Avenue  
San Jose, CA 95128

Telephone: (408) 288-4400

EIN: 51-6052127

Plan Number: 001

The names and business addresses of the current members of the Board of Trustees are:

#### MANAGEMENT TRUSTEES

Mr. Robert Gonzales  
1029 Annapolis Drive  
San Mateo, CA 94403

Mr. David Pease  
Liberty Electric  
831 Malcom Road  
Burlingame, CA 94010

Mr. Steve Pellizzari  
Pellizzari Electric  
450 Howland Street  
Redwood City, CA 94063

Mr. Jim Weishaar  
Pellizzari Electric  
450 Howland Street  
Redwood City, CA 94063

#### UNION TRUSTEES

Mr. Dominic Nolan  
IBEW Local 617  
1701 Leslie Street  
San Mateo, CA 94402

Mr. Mark Leach  
IBEW Local 617  
1701 Leslie Street  
San Mateo, CA 94402

Mr. Clifford Brown  
IBEW Local 617  
1701 Leslie Street  
San Mateo, CA 94402

Mr. Mark Henry  
IBEW Local 617  
1701 Leslie Street  
San Mateo, CA 94402

The day-to-day fund administration is performed for the Board of Trustees by the Administrator listed on booklet back cover. This office is known as the Fund Office. The Board of Trustees also contracts with others including consultants, attorneys and accountants. Plan benefits are provided directly from the Trust Fund.

#### **4. Agent for Service of Legal Process**

The name and address of the person designated as agent for service of legal process is:

Joint Board of Trustees  
c/o United Administrative Services  
1120 South Bascom Avenue  
San Jose, CA 95128

The service of legal process may also be made upon a Plan Trustee, or the Fund Office, or the Plan's legal counsel.

#### **5. Collective Bargaining Agreements**

The Plan is maintained in accordance with the Collective Bargaining Agreements between the San Mateo Chapter, National Electrical Contractors Association and Local Union 617, International Brotherhood of Electrical Workers. There are also a few individual agreements. The Collective Bargaining Agreements provide for contributions by the Employers to the Trust Fund on an agreed upon cents-per-hour basis. There are no Employee Contributions. The Fund Office will provide any Plan Participant or beneficiary, upon written request, information as to whether a particular Employer is contributing to this Fund and, if the Employer is a contributing Employer, the Employer's address.

#### **6. Fiscal Year**

The Fiscal Year of the Fund, also known as the Plan Year, is the twelve-month period ending each December 31.

#### **7. Amendment and Termination**

The Board of Trustees may amend the Plan at any time. The Plan's Trust Agreement may be amended at any time by the I.B.E.W. Local Union No.617 and the San Mateo County Chapter of N.E.C.A. The Trust Agreement provides that the Trust may be terminated at any time by the mutual consent of I.B.E.W Local Union No. 617 and the contributing Employers.

### **STATEMENT OF ERISA RIGHTS**

As participants in the Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan Participants shall be entitled to:

- Examine, without charge, at the Fund Office and at other specified locations such as union halls, all Plan Documents, including Collective

Bargaining Agreements and the Annual Report (Form 5500 Series) filed by the Plan with the Department of Labor. Copies of the documents and certain other Plan information may also be obtained upon written request to the Fund Office. A reasonable charge may be made for copies.

- Receive a Summary of the Plan Annual Financial Report. The Board of Trustees is required by law to furnish each Participant with a copy of this summary annual report.

Insofar as required by applicable government regulations, you may also obtain a statement indicating whether you have a right to receive an annuity at your Normal Retirement Date, if you stop working under the Plan now. If you do not have a right to an annuity, the statement will indicate how many more hours you need to work to get a right to an annuity. This statement must be requested in writing and is not required to be given more than once a year. The Plan must provide the statement free of charge.

In addition to creating rights of Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of this Plan. The people who operate your Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries. No one, including your Employer, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA. If your claim for benefits is denied in whole or in part, you must receive a written explanation of the reason for the denial, and you have the right to have the plan review and reconsider your claim, as described elsewhere in this booklet.

Under ERISA, you can take action to enforce the above rights. For instance, if you request certain materials required to be furnished by the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require that you be provided with the materials and be paid up to \$110.00 a day until you receive them, unless the materials were not sent because of reasons beyond the Board’s control. If you have a claim for benefits, which is denied or ignored in whole or in part, you may file a lawsuit.

If it should happen that the Plan fiduciaries misuse the Plan’s money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in a federal court. Under the Plan, you must file a lawsuit within two years after denial of your appeal. The court will decide who should pay the court costs and legal fees. If you are successful, the court may order the entity you sued to pay these costs and fees. If, for example, the court finds your claim is frivolous, it may order you to pay these costs.

If you have any questions about your Plan, you should contact the Fund Office. If you have any questions about this statement or about your rights under Welfare Benefits Administration, you should contact the U.S. Department of Labor, listed in your local telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W. Washington D.C. 20210.