

ADMINISTRATIVE OFFICES
ELECTRICAL WORKERS LOCAL 332 TRUST FUNDS

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ADMINISTRATORS
UNITED ADMINISTRATIVE
SERVICES

APRIL 2018

ANNUAL FUNDING NOTICE

for

I.B.E.W Local Union No. 332 Pension Plan – Part A

This notice includes important information about the funding status of the I.B.E.W Local Union No. 332 pension plan ("the Plan"). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. All traditional pension plans (called "defined benefit pension plans") must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is required by federal law. This notice is for the plan year beginning January 1, 2017 and ending December 31, 2017 ("Plan Year").

How Well-Funded is Your Plan

Under federal law, the plan must report how well it is funded by using a measure called the "funded percentage." The funded percentage of a plan is a measure of how well that plan is funded. This percentage is obtained by dividing the Plan's assets by its liabilities on the Valuation Date for the plan year. In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the Plan Year and each of the two preceding plan years is set forth in the chart below, along with a statement of the value of the Plan's assets and liabilities for the same period.

Funded Percentages for 2017, 2016, and 2015

	PLAN YEAR — 2017	PLAN YEAR — 2016	PLAN YEAR — 2015
Valuation Date	January 1, 2017	January 1, 2016	January 1, 2015
Funded Percentage	84.1%	81.4%	80.6%
Value of Assets	\$503,904,988	\$459,388,152	\$453,409,294
Value of Liabilities	\$599,451,880	\$583,322,293	\$562,867,746

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date for the plan year and are actuarial values. Because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values that are designed to smooth out those fluctuations for funding purposes. The asset values below are market values and are measured as of the last day of the plan year, rather than as of the Valuation Date. Substituting the market value of assets for the

actuarial used in the above chart would show a clearer picture of a plan's funded status as of the Valuation Date. The fair market value of the Plan's assets as of the last day of the Plan Year and each of the two preceding plan years is shown in the following table:

	December 31, 2016	December 31, 2016	December 31, 2015
Fair Market Value of Assets	\$587,849,072	\$503,904,998	\$474,967,401

Critical or Endangered Status

Under federal pension law, a plan generally is in "endangered" status if its funded percentage is less than 80 percent. A plan is in "critical" status if the funded percentage is less than 65 percent (other factors may also apply). A plan is in "critical or declining" status if it is in critical status and is projected to become insolvent (run out of money to pay benefits) within 15 years (or within 20 years if a special rule applies). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status or critical and declining status, the trustees of the plan are required to adopt a rehabilitation plan. Funding improvement and rehabilitation plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time. The plan sponsor of a plan in critical and declining status may apply for approval to amend the plan to reduce current and future payment obligations to participants and beneficiaries.

The Plan was not in endangered, critical or critical and declining status in the Plan Year. If the Plan is in endangered, critical, or critical and declining status for the plan year ending December 31, 2018, separate notification of that status has or will be provided.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the valuation date was 3,678. Of this number, 1,879 were current employees, 1437 were retired and receiving benefits, and 362 were retired or no longer working for the employer and have a right to future benefits.

Funding & Investment Policies

Every pension plan must have a procedure for establishing a funding policy for plan objectives. A funding policy relates to the level of assets needed to pay for benefit promised. The funding policy of the Plan is to receive the contributions made pursuant to collective bargaining agreements, invest those contributions in a diversified portfolio of investments and provide, based on the funding advice of an actuary, benefits that the Board of Trustees determines can be afforded based on the contribution rates and anticipated investment returns.

Once money is contributed too the Plan, the money is invested by plan officials called

fiduciaries, who make specific investments in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning investment management decisions. The investment policy of the Plan is to diversify the investments by hiring qualified investment managers with the long term objective to provide a rate of return which meets or exceeds the assumed actuarial rate of return; maintain sufficient income and liquidity to pay Plan benefits and expenses when due; and reserve and increase the principal value of the Plan's assets.

Under the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

	Asset Allocations	Percentage
1.	Cash (Interest bearing and non-interest bearing)	0.5%
2.	U.S. Government securities	0.0%
3.	Corporate debt instruments (other than employer securities): Preferred All others	0.0% 0.0%
4.	Corporate stock instruments (other than employer securities): Preferred All others	0.0% 13.6%
5.	Partnership/joint venture interests	19.3%
6.	Real estate (other than employer real property)	0.0%
7.	Loans (other than to participants)	0.0%
8.	Participant loans	0.0%
9.	Value of interest in common/collective trusts	3.3%
10.	Value of interest in pooled separate accounts	0.0%
11.	Value of interest in master trust investment accounts	0.0%
12.	Value of interest in 103-12 investment entities	16.8%
13.	Value of interest in registered investment companies (e.g., mutual funds)	26.7%
14.	Value of funds in insurance co. general account (unallocated contracts)	0.0%
15.	Employer-related investments: Employer securities Employer real property	0.0% 0.0%
16.	Buildings and other property used in plan operation	0.0%
17.	Other	19.8%

For information about the Plan's investment in any of the following types of investments—common/collective trusts, pooled separate accounts, or 103-12 investment entities — contact Judy Sargent, United Administrative Services, 6800 Santa Teresa Blvd, Ste 100, San Jose, CA 95119; 408-288-4550.

Events Having a Material Effect on Assets or Liabilities

Federal law requires the Plan administrator to provide in this notice a written explanation of new events, taking effect in the current year, which are expected to have a material effect on plan liabilities or assets. Material effect events are occurrences that tend to have a significant impact on a plan's funding condition. An event is material if it, for example, is expected to increase or decrease Total Plan Assets or Plan Liabilities by five percent or more. For the plan year beginning on January 1, 2018 and ending December 31, 2018, the following events are expected to have such an effect: Last year valuation assets were changed from an average of book and market to fair market value to better reflect actual events.

Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the US Department of Labor. The report is called the "Form 5500." These reports contain financial and other information about the plan. For 2009 and subsequent plan years, you may obtain an electronic copy of your Plan's annual report by going to www.efast.dol.gov and using the Form 5500 search function. Annual reports are also available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202-693-8673. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator.

Annual reports do not contain personal information, such as the amount of your accrued benefit. You may contact your plan administrator if you want information about your accrued benefits. Your plan administrator is identified below under "Where To Get More Information."

Summary of Rules Governing Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans. The plan administrator is required by law to include a summary of these rules in the annual funding notice. Under so-called "plan reorganization rules", a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PGBC's guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increase, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The plan is required to furnish this notification to each contributing employer and the labor organization.

Despite these special plan reorganization rules, a plan in reorganization could become insolvent. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for that plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available resources. If such resources are not enough to pay benefits at the level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notification of its status to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. There are separate insurance programs with different benefit guarantees and other provisions for single-employer plans and multiemployer plans. Your Plan is covered by PBGC's multiemployer program. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next \$33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is \$35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of \$600, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($\$600/10$), which equals \$60. The guaranteed amount for a \$60 monthly accrual rate is equal to the sum of \$11 plus $\$24.75$ ($.75 \times \$33$), or \$35.75. Thus, the participant's guaranteed monthly benefit is \$357.50 ($\35.75×10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of \$200, the accrual rate for purposes of determining the guarantee would be \$20 (or $\$200/10$). The guaranteed amount for a \$20 monthly accrual rate is equal to the sum of \$11 plus $\$6.75$ ($.75 \times \$9$), or \$17.75. Thus, the participant's guaranteed monthly benefit would be \$177.50 ($\17.75×10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee benefits pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, benefits

above the normal retirement benefits, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

For additional information about the PBGC and the pension insurance program guarantees, go to the Multiemployer Page on PBGC's website at www.pbgc.gov/multiemployer. Please contact your employer or plan administrator for specific information about your pension plan or pension benefits. PBGC does not have that information. See "Where to Get More Information About Your Plan," below.

Where to Get More Information

For more information about this notice, you may contact Judy Sargent, United Administrative Services, 6800 Santa Teresa Blvd, Ste 100, San Jose, CA 95119; 408-288-4550. For identification purposes, the official plan number is 004, and the plan sponsor's employer identification number or "EIN" is 94-2688032.