

Sacramento Area Electrical Workers Pension and Profit Sharing Plan

December 1, 2007

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INTRODUCTION

The first part of the Sacramento Area Electrical Workers Pension and Profit Sharing Plan Booklet, pages 1 through 7, is intended to outline the principal features of the Pension and Profit Sharing Plan. The second part of the booklet, pages 8 through 14, contains answers to frequently asked questions about the Plan. The third part of the booklet, pages 15 through 22, contains the Summary Plan Description as required by the Employee Retirement Income Security Act of 1974 (ERISA). The last portion of this booklet contains a complete copy of the Plan document. All rights and benefits will be governed in every respect by the Trust Agreement and Plan Documents established by the Trustees. The Trust Agreement as well as investment documents issued to the Trustees by Putnam Investments are on file at the Fund Manager's office and may be inspected at any reasonable time during regular office hours.

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I. PLAN ADMINISTRATION

CONTRIBUTIONS AND INVESTMENTS

Employer monthly contributions along with transmittal reports are forwarded to the Fund Manager where the reports are checked and maintained prior to the data being entered into your account balance. The Trust maintains the account balance for the Trustee directed portion of your account and Putnam Investments (hereinafter "Putnam") maintains the account balance for the self-directed portion. Putnam performs all the daily record keeping and adjusts each individual self-directed account according to the returns of the investment options chosen by the participant, adding the amounts as stated on employer contribution reports and tracking investment gains and losses.

Contributions may be credited to the Trustee managed investments, any one of the available Putnam accounts (mutual funds) or a combination of any of the available accounts, depending upon your selection. If you have not selected one or more of the investment options with Putnam Investments, the contributions will automatically be deposited in the Trustee managed investments.

The Trustee managed investments are determined and controlled entirely by the Board of Trustees who, with the help of an investment advisor and money managers, diversify pooled assets into equity and fixed income vehicles. The Putnam investment vehicles are participant directed; therefore, it is important that you understand which investment vehicles are conservative and which are more volatile.

If you elect to self direct with Putnam, you make the investment decisions. Investment choices are an extremely personal matter. Presently the Plan offers 19 mutual fund options. Age, family, personality and finances often play a part. Younger individuals are more likely to invest in higher risk or more volatile accounts because retirement is far off and they have time to try to recoup

any potential losses. The opposite may be true of someone near retirement. Although one's family status often affects investment decisions, personality may have the greatest impact. Your tolerance for risk - how comfortable you are with ups and downs in the market - will help guide you as to which accounts you choose to invest your money.

ERISA SECTION 404(c)

The Pension and Profit Sharing Plan permits Participants and Beneficiaries to direct the investment of their Plan accounts in accordance with the limits and restrictions described in the booklet and other investment literature provided to you. In structuring the Putnam portion of this Plan to facilitate Participant-directed investments, the Trustees have intended that the Plan qualify as a Plan described in Section 404(c) of the Employee Retirement Income Security Act of 1974 (ERISA), and corresponding regulations. By qualifying as a "Section 404(c) plan," the Pension and Profit Sharing Plan's Trustees may be relieved of any liability for losses experienced in connection with the investment of your Plan account, which losses were the direct and necessary result of your investment instructions. In other words, if the Pension and Profit Sharing Plan provides you with an opportunity to exercise control of the investments in your account, as described in ERISA Section 404(c), and you actually exercise that control and direct the investment of your account, the Plan's Trustees and other fiduciaries are generally not responsible for any investment losses suffered by your account as a result of your investment decisions. The Trustees must however be prudent in selecting the options made available to you and monitoring their performance on a periodic basis.

ADDING AND DELETING INVESTMENT OPTIONS

The Trustees will monitor the performance of the offered investment options as to performance. Performance is measured by standardized comparisons, such as index funds (e.g. Russell 1000 Growth, Russell 2000 Growth, Standard & Poors), as well as performance of similar funds managed by other companies. If the Trustees believe after measuring performance that any offered option has not performed satisfactorily it will be replaced by a similar option whose performance has been better. Performance is measured on an annual basis as well as over periods of three (3), five (5) and ten (10) years. In the event the Trustees eliminate an option you will be able to move your assets into the replacement option. Notice of option elimination will be provided at least sixty days before the elimination of any option. A list of current investment options with risk classifications from conservative to aggressive is available. The more conservative the option the less risk to the investor/plan participant and, of course, the more aggressive the option the more risk undertaken by the investor/plan participant.

PLAN EXPENSES

There are two types of expenses involved under the Sacramento Area Electrical Workers Pension and Profit Sharing Plan. The total of these two expenses is deducted from participant accounts on a periodic basis at least annually. The overall expenses involve the following items:

- 1) The charges by Putnam for those participants who have elected self directed accounts for the investment of all funds, broken down by various accounts with daily updates, as well as the record keeping for each individual participant, and the issuing of an annual report mailed directly to each participant's last known address. This also includes the expenses of maintaining the

TeleTouch System, as well as the Online Internet system and management fees charged prior to your net return being calculated.

2) Other expenses include preparation of government reports, monthly billings to remitting employers, as well as various required employee forms. Additional costs include Trust legal expenses (legal collection, employer audits, document drafting) as well Trust auditor fees (preparation of the Form 5500 and annual audit), Trustee fiduciary insurance and fidelity bond, and Trustee education. Expenses including the toll free telephone line and all mailings to participants, such as the updated Summary Plan Descriptive booklets and the periodic Newsletters, are also Plan expenses.

QUARTERLY REPORTS

A quarterly employee participant report is issued by Putnam as required by law to those participants that have self directed accounts. It shows the activity of all funds held under your name including contributions, withdrawals, expenses and investment results. These reports are distributed to the individual participant at their last known address. The reports are usually sent out by the 15th of the month following the end of the quarter. For participants invested in whole or in part in the Trustee managed account the Trustees send annual statements of gains and losses by April 15th each year.

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II. PLAN PARTICIPATION

ELIGIBILITY FOR THE PLAN

The employer's Collective Bargaining Agreement or if applicable, a Subscription Agreement, will spell out the hourly amount of employer contributions. There are no years of service requirements for participation in the Pension and Profit Sharing Plan.

VESTING OR OWNERSHIP RIGHTS

The money contributed on your behalf is your money from day one, dollar one. This Plan provides for 100% immediate vesting of all contributions to your account. Should you die prior to retirement, your account balance will be available to your designated beneficiary.

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III. TYPES OF RETIREMENT AND METHODS OF RECEIVING BENEFITS

DISTRIBUTION OF RETIREMENT BENEFITS

Disability Retirement

Disability Retirement for a participant is allowed at any age, effective upon the onset date of disability as determined by a Social Security Award Certificate or the date determined by the Board of Trustees, in their discretion, based on substantial medical evidence.

Early Retirement

Early Retirement for a participant who ceases all work in the Electrical Industry is the first day of any month following the participant's 55th birthday. **Early retirement is allowed only once.**

Normal Retirement

Normal Retirement for a participant is the first day of the month coinciding with (immediately following, if none coincides with) the participant's 62nd birthday.

Late or Deferred Retirement

A participant may continue in active employment with the employer after the participant's Normal Retirement Date. In this event, the Monthly Date coinciding with (immediately following, if none coincides with) the Termination of Employment will be known as the participant's Late Retirement Date. The law requires a minimum account distribution must be made by April 1 of the year following the later of: 1) the year the Participant attains age 70 1/2, or 2) the year the Participant retires.

Hardship Distribution

The Sacramento Area Pension and Profit Sharing Plan allows for hardship distributions to be made prior to the date a participant is otherwise eligible to retire (age 55). The distributions are strictly regulated by the Internal Revenue Code, are limited, and must be approved by the Trustees after application is made. Hardship distributions are not automatic. A hardship distribution is for an immediate and pressing financial need which cannot be met by obtaining funds from any source other than the participant's account. Such distributions are allowed subject to the Trustees approval for the following hardships: 1) excessive medical expenses; 2) college tuition and books; 3) the down payment on a principal residence; 4) the need to prevent eviction from a rental or prevent foreclosure on a principal residence; 5) burial expenses for you or a family member, and 6) reimbursement of casualty loss to a principal residence as allowed by the Internal Revenue Code.. **All hardship distributions are subject to income tax in the year distributed as well as penalties for early distribution before age 59 ½ .**

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IV. FORMS OF RETIREMENT BENEFITS

(a) **Lifetime annuity payable over the life expectancy of the participant.** The first Pension and Profit Sharing payment will be made on your actual date of retirement under the Plan. Payments will be made monthly for as long as you live. No benefits are payable after your death. This is paid through an insured annuity the Trust will purchase on your behalf. This is also referred to as a Single Life Annuity.

(b) **Installments for life with a guarantee benefit for 1 to 10 years even if you die.** You may elect a 1 to 10 year certain form of payment. A Pension and Profit Sharing payment (actuarially reduced from the Single Life Annuity amount) will be made for as long as you live. However, in the event of your death before the end of the guarantee period, the balance of the payments which remain unpaid will be continued to your beneficiary. This is paid through an insured annuity the Trust will purchase on your behalf.

(c) **A lump sum option.** Under this option you receive the entire value of your account at retirement. If you are married for the 12 months immediately prior to your retirement this option can only be selected with the written agreement of your spouse, notarized or witnessed by an authorized representative of the Plan. If your account balance is rolled over (trustee to trustee) into an IRA there will be no taxes withheld. If the account balance is distributed to you taxes will be withheld. If a lump sum option is taken prior to age 59 ½, unless it is a trustee to trustee roll over, tax penalties will arise.

(d) **A qualified joint and survivor annuity with the annuitants being limited to the participant and his/her surviving spouse.** You may wish to have your Pension and Profit Sharing payments continued to your surviving spouse beginning at your death after retirement. *This option pays you a reduced Pension and Profit Sharing benefit* while living of which either one hundred per cent (100%), seventy five per cent (75%) or fifty per cent (50%), *as you may elect*, is continued for the lifetime of your surviving spouse. The election of this option will be cancelled if your spouse should die before you retire. This is paid through an insured annuity the Trust will purchase on your behalf.

(e) A **flexible income option** paid by the Trust. Payments are based upon Internal Revenue Service (IRS) life expectancy tables. These tables determine the minimum amount that can be paid out while still meeting IRS rules. The balance of your account after each monthly payment will continue to participate in the gains and losses of the Plan. Earnings that remain in the plan continue to be non-taxable income, only the amount of monthly Pension and Profit Sharing payments withdrawn are subject to tax. This option is payable through the Trust and the monthly amount may be changed once per calendar year.

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V. AMOUNT OF YOUR BENEFIT

Your Pension and Pension and Profit Sharing benefit at retirement will depend on the total amount accumulated in your Account over the years. If you choose a Pension in the form of an annuity, it is purchased from an insurance company. You can remain in the Plan and receive a fixed monthly payment as an option. If you chose to remain in the Plan your account balance will share in the gains and losses of the Plan valued on an annual basis.

The contributions made by a contributing employer are not taxable to you at the time deposits are made but are taxable upon distribution. The law requires 20% of the distribution to be withheld as income tax on any taxable distribution. In the event you are under age 59 1/2 an additional 10% penalty tax is withheld for early distribution. You will pay tax on your monthly Pension and Profit Sharing payments when they are received. However, it is likely that after retirement your total taxable income will be less, thus you will pay less taxes.

In the event a participant is permanently and totally disabled at any age, he/she will qualify for a distribution from the Pension and Pension and Profit Sharing Plan. Tax penalties do not apply to disability retirement.

All withdrawal requests should be made to the Fund Manager's Office, United Administrative Services, 1120 S. Bascom Ave., PO Box 5057, San Jose, CA 95150-5057 – 408/288-4400.

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VI. RECIPROCAL AGREEMENTS

The Sacramento Area Electrical Workers Pension and Profit Sharing Plan is signatory to the National Electrical Industry Pension Reciprocal Agreement. Pension and Profit Sharing funds are transferred according to the Reciprocal Agreement on a monthly basis. This is facilitated through the Electronic Reciprocal Transmittal System (ERTS.). You must register the Sacramento Area Electrical Workers Pension and Profit Sharing Plan as your home local online with ERTS to be eligible for reciprocal transfers.

The Trustees of the Sacramento Area Electrical Workers Pension and Pension and Profit Sharing Plan have approved a separate Special Pension and Profit Sharing Reciprocity Agreement to be signed with various I.B.E.W. defined contribution plans allowing the employee to transfer fund balances to or from a defined contribution plan in which the employee has previously participated, including funds which have been received by the Fund Manager prior to the time registers with ERTS. If the employee so elects, the Sacramento Area Electrical Workers Pension and Pension and Profit Sharing Plan or the reciprocal plan shall make a one-time transfer of all contributions and earnings thereon through the date the transfer is effective to the designated defined contribution plan. Any such request shall be made to the Fund Manager's office in writing with the written consent of the employee's spouse.

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VII. DISPOSITION OF AN INACTIVE SMALL UNCLAIMED ACCOUNT

The Board of Trustees have taken the following action so that administrative expenses will not diminish small account balances over \$1,000 and under \$2,500.00 where there has been no activity by the inactive Participant concerning his/her account(s) for one year. In the event the Fund Manager cannot locate this inactive Participant after due diligence, all funds in the inactive Participant's account(s) shall be placed in a single account and become assets of the Trust. Accounts with no activity for twelve (12) months that are under \$1,000 will be distributed directly to the participant subject to applicable taxes and penalties.

In the event the inactive Participant, his/her beneficiary, or legal representative comes forward after the inactive Participant's account(s) has been transferred to the Trust, such account(s) shall be reinstated.

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VIII. FUTURE OF THE PLAN

This Plan is available to all individuals covered by the collective bargaining agreement between I.B.E.W. Local No. 340 and the National Electrical Contractors Association, Greater Sacramento Area Chapter, to give members of I.B.E.W. Local No. 340 a practical and convenient program of providing for an income after they retire. It is expected that the Plan will be continued indefinitely, but the right to discontinue participation at any time is reserved to the Board of Trustees of the Plan. However, no change or discontinuance will adversely affect the amounts previously allocated to each individual's accounts.

SACRAMENTO AREA ELECTRICAL WORKERS PENSION AND PROFIT SHARING PLAN FREQUENTLY ASKED QUESTIONS

This Pension and Profit Sharing Plan is known as a Money Accumulation or Money Purchase Benefit Plan and is completely separate from any other pension plan that you may have. Under this Defined Contribution Pension and Profit Sharing Plan an hourly contribution as required by the applicable collective bargaining agreement is credited to each individual employee who is a participant under this Plan.

1. When Did the Plan Become Effective?

The Plan became effective on October 1, 1981.

2. Who Pays for the Plan?

The entire cost of the Plan is paid by contributions required under a collective bargaining agreement. Your classification as determined by unit vote determines the amount of your contribution during the life of the collective bargaining agreement.

3. Who is Eligible to Become a Participant?

You are eligible to participate in the Plan if you are an employee of an employer who is signatory to a collective bargaining agreement between Local Union No. 340, International Brotherhood of Electrical Workers, and the National Electrical Contractors Association, Greater Sacramento Area Chapter, and you are performing work covered by these agreements for such employers, or an employee of the Union signatory thereto.

4. When Do I Retire?

(a) Normal Retirement Date - Your normal retirement date will be the first day of the month coinciding with or next following your 62nd birthday. The benefit is your account balance.

(b) Early Retirement - You may elect to retire as early as age 55 and receive your account balance at that time.

5. May I Assign My Benefits Under the Plan?

Unless otherwise required by law, the benefits provided under this Plan are non-assignable.

6. Does the Booklet Describe the Plan Completely?

The information contained in the first three parts of this booklet is intended to be only an

outline of the principal features of the Plan. It should be pointed out that the provisions of the Plan and not the first three parts of this booklet will govern all interpretations of rights and benefits payable under the Sacramento Area Electrical Workers Pension and Profit Sharing Plan. The terms of the Plan as adopted are stated in the Plan Document contained as the fourth part of this booklet. The Trustees shall have complete discretion interpreting the Plan and determining all factual issues relating to eligibility for and amount of benefits.

7. May I Withdraw Money From My Account If I Become Disabled?

Yes. If you are permanently and totally disabled as defined in the Plan, regardless of age, you may withdraw your account balance in one of the methods described in the booklet. Permanently and totally disabled means you are receiving Social Security Disability Benefits under Title II of the Social Security Act or have been determined by the Board of Trustees, in their discretion, to be permanently unable to perform the material and substantial duties of your trade.

8. Are The Employer's Contributions Taxable Income To Me?

No. The employer contributions are not taxable income to the individual, nor are earnings thereon, as this is a tax exempt qualified Pension Trust. Taxes are due when you withdraw money from your account.

9. What Are My Ownership Rights To This Money?

Participants will have immediate 100% ownership (vested rights) in all funds credited to his account/her. This includes contributions and interest.

10. May I Withdraw My Funds Prior To Retirement?

Yes. Under certain circumstances, an individual may withdraw the accumulated funds in this Pension Plan. They are as follows:

If an employee is not employed under covered employment for a period of twelve (12) consecutive months and the account balance is less than \$10,000, he/she may withdraw the amount in his/her individual account. A request for withdrawal must be in writing and approved by the Board of Trustees.

Additionally, hardship distributions are available. The Sacramento Area Electrical Workers Pension and Profit Sharing Plan allows for hardship distributions to be made prior to the date a participant is otherwise eligible for early retirement (age 55). The distributions are strictly regulated by the Internal Revenue Code, are limited and must be approved by the Trustees after application is made. Hardship distributions are not automatic. A hardship distribution is for an immediate and pressing financial need which cannot be met by obtaining funds from any source other than the participant's account. Such distributions are allowed subject to the Trustees approval for the following hardships: 1) excessive medical expenses; 2) college tuition and books; 3) down payment

on a principal residence; 4) the need to prevent eviction from a rental or foreclosure on a principal residence; 5) burial expenses for you or your family; 6) reimbursement for casualty losses of a principal residence as defined in the Internal Revenue Code. **All hardship distributions are subject to income tax in the year distributed as well as penalties for early distribution.**

11. What Reports Do I Have To Make If I Withdraw My Accumulated Funds?

You are required to report the receipt of such funds as income and, as such, you will be subject to income taxes, both state and federal.

Effective January 1, 1993, any lump sum withdrawal or withdrawal paid over a period of less than five years is subject to mandatory 20% withholding for federal income taxes. Even if the withdrawal/distribution is rolled over into another qualified pension plan or individual retirement account within 60 days the Trust will withhold 20% for federal income taxes. The Trust is not required to withhold federal taxes if the transfer is from trustee to trustee. Consequently, **CONSULT WITH AN ACCOUNTANT REGARDING THE TAX RAMIFICATIONS OF ANY WITHDRAWAL/DISTRIBUTION BEFORE YOU TAKE POSSESSION OF THE BENEFITS.**

12. What amount of benefit will you receive when you retire?

The value of your benefit at retirement is equal to the value of your basic account (your Self-Directed Account with Putnam Investments, if any, and your portion of the Trustee directed account). Although you may receive benefits under any of several alternate methods of payment you may select, the total of all payments under each alternate method are equal in value. The value of your account at retirement depends upon the amount of contributions and investment earnings credited to your account during the period of your participation. Generally, the longer the period of your participation, the greater will be the value of your basic account at retirement. Similarly, the higher the investment earnings, the greater will be the value of your account. For this reason, the Trustees intend to achieve the highest investment return possible, consistent with prudence and safety.

13. As A Retiree, What Forms Of Retirement Benefits Are Available Under The Plan?

A participant who has been married for the twelve (12) months immediately prior to retirement is automatically covered by the joint and survivor annuity benefit with a 50% survivor annuity to his spouse unless elected otherwise as explained above. Other elections that may be made by a married participant include a 75% and 100% survivor annuity option. For all participants a lump sum distribution equal to the value of the basic account, equal monthly payments for a period not to exceed twenty (20) years and not less than one (1) year until the basic account is exhausted with an interest accumulation as provided by the Plan under the prevailing interest rates at the time of the election, the purchase from an insurance company of an installment annuity, if available, for a period years or a single life annuity are all available.

14. What Death Benefits Are Payable Under The Plan?

a. Pre-retirement death benefits: If your death occurs before your retirement, your designated beneficiary will receive a benefit equal to the value of your basic account.

b. Post retirement death benefits: If your death occurs after your retirement and you have not elected to receive your benefit in the form of an insured annuity, your designated beneficiary will receive an amount equal to the remaining value of your basic account. If you have elected an insured annuity, the conditions of the insured annuity contract will determine the death benefit.

c. Form of payments to beneficiary: If a benefit is payable from your basic account, your beneficiary will be required to elect one of the methods of receiving benefits under the Plan.

15. May You Postpone Your Retirement?

Yes. Retirement is not mandatory. You may continue to work in the trade after normal retirement age.

16. What Happens If You Leave The Trade?

Once you have contributions credited to your basic account, you are entitled to a benefit at your retirement, regardless of whether you have left the trade. The amount of your benefit will depend on the accumulated contributions made on your behalf and the investment earnings credited to your basic account whether you retire on your regular retirement date or postpone your retirement. You start earning more benefits as soon as you start back to work in the trade, and are 100% vested in all benefits accumulated from that time on.

17. Is Interest Credited To Accounts?

The contributions received by the Trust Fund are invested to earn additional income. Your basic account is credited annually with your proportionate share of the investment income. Your share of the investment earnings each year is equal to the ratio which your account (including contributions and investment income allocated in prior years) bears to the total of all participants' accounts. The larger the balance credited to your account, the greater the investment income allocated each year.

18. What Forms Of Payment May You Elect?

When you apply for retirement benefits, you will be required to elect a form of payment from the following choices:

a. You may elect to have an annuity contract purchased from an insurance company in the form of an installment refund lifetime annuity, if possible. This would provide monthly payments for your life, with a guarantee that the total of all benefit payments would be at least equal to your

basic account balance at your retirement date.

b. You may elect to receive a full lump sum amount equal to the value of your basic account.

c. You may elect to have an annuity contract purchased from an insurance company in the form of a 50%, 75% or 100% joint-and-survivor life annuity. Under this form, you will receive a monthly annuity for life and, upon your death, your spouse, if living, will receive a monthly payment for life equal to the percentage chosen.

You must give careful attention to the tax consequences of the form of payment you choose. It is possible that you may not receive the most favorable tax treatment if you receive a full distribution of your basic account and return to work sometime thereafter. You must also be aware that, as long as your basic account remains in the Trust Fund, you will not be taxed on the investment income allocated to your account.

19. Can A Participant Elect Not To Be Covered By The Joint And Survivor Annuity?

Yes. The participant may elect not to be covered by the joint and survivor annuity benefit with the written consent of the spouse, That written consent must either be notarized or witnessed by a Plan representative.

20. May The Election Not To Be Covered By The Joint And Survivor Annuity Benefit Be Changed Once Elected?

Yes. A participant with a written consent of his spouse may revoke an election not to take the qualified pre-retirement survivor annuity or choose against to take a qualified pre-retirement survivor annuity at any time and any number of times within the applicable election period.

21. What Is The Election?

This period begins the first day of the first Plan year in which the participant is age thirty-five (35) and continues until the participant's death or retirement, whichever occurs first.

22. What If Death Occurs After Retirement?

A participant's beneficiary shall be entitled to a benefit equal to the remaining value of the participant's basic account upon death for other than an insured benefit. If the benefit is an insured benefit, the conditions of the insured benefit contract will prevail.

23. What are the Trustees Responsibilities for the Investments I Self Direct Through Putnam Investments?

Pursuant to ERISA 404(c) the Pension and Profit Sharing Plan permits Participants and Beneficiaries to direct the investment of their Plan accounts in accordance with the limits and

restrictions described in the booklet and other investment literature provided to you. In structuring the Putnam Investments portion of this Plan to facilitate Participant-directed investments, the Trustees have intended that the Plan qualify as a plan described in Section 404(c) of the Employee Retirement Income Security Act of 1974 (ERISA), and corresponding regulations. By qualifying as a "Section 404(c) plan," the Pension and Profit Sharing Plan's Trustees may be relieved of any liability for losses experienced in connection with the investment of your Plan account, which losses were the direct and necessary result of your investment instructions. In other words, if the Pension and Profit Sharing Plan provides you with an opportunity to exercise control of the investments in your account, as described in ERISA Section 404(c), and you actually exercise that control and direct the investment of your account, then the Plan's Trustees and other fiduciaries are generally not responsible for any investment losses suffered by your account as a result of your investment decisions.

24. Can I Transfer My Account Balance to Other IBEW Pension Plans?

The Sacramento Area Electrical Workers Pension and Profit Sharing Plan is signatory to the National Electrical Industry Pension Reciprocal Agreement. Pension and Profit Sharing funds are transferred according to the Reciprocal Agreement on a monthly basis after you register your "Home Fund" online with ERTS. This can be done at the Union Office. The Trustees of the Sacramento Area Electrical Workers Pension and Pension and Profit Sharing Plan have approved a separate Special Pension and Profit Sharing Reciprocity Agreement to be signed with various I.B.E.W. defined contribution plans allowing the employee to transfer fund balances to or from a defined contribution plan in which the employee has previously participated, including funds which have been received by the Fund Manager prior to the time the employee signs the separate reciprocal authorization form or the National Electrical Industry Pension Reciprocity Form. If the employee so elects, the Sacramento Area Electrical Workers Pension and Pension and Profit Sharing Plan or the reciprocal plan shall make a one-time transfer of all contributions and earnings thereon through the date the transfer is effective to the designated defined contribution plan. Any such request shall be made to the Fund Manager's office in writing with the written consent of the employee's spouse.

25. What Happens If I Lose Track of My Account?

The Board of Trustees has taken the following action so that administrative expenses will not diminish small account balances under \$2,500.00 where there has been no activity by the inactive Participant concerning his/her account(s) for one year. In the event the Fund Manager cannot locate this inactive Participant after due diligence, all funds in the inactive Participant's account(s) shall be placed in a single account and become assets of the Trust.

In the event the inactive Participant, his/her beneficiary, or legal representative comes forward after the inactive Participant's account(s) has been transferred to the Trust, such account(s) shall be reinstated.

26. What Is the Future of the Plan?

This Plan is available to give members of I.B.E.W. Local No. 340 a practical and convenient program of providing for an income after they retire from work. It is expected that the Plan will be continued indefinitely, but the right to discontinue participation at any time is reserved to the Board of Trustees of the Plan. However, no change or discontinuance will adversely affect the amounts previously allocated to each individual's accounts.

27. Am I required to Use Self-Directed Mutual Fund Investments?

No. The use of the Self-Directed mutual funds is optional. You can place all or a portion of your account balance and future contributions in the Self-Directed mutual funds.

28. What Happens If I Get Divorced?

If you get divorced (have your marriage dissolved) or obtain a legal separation you and your spouse may agree on a division of your pension or a Court may order division. This is accomplished through a Qualified Domestic Relations Order (QDRO). The Plan will comply with the provisions in a QDRO that it has approved so long as it does not require the Plan to pay any type of benefit not available under the Plan or does not require the Plan to pay more in combined benefits than it would pay to you alone..

SUMMARY PLAN DESCRIPTION - ERISA INFORMATION

A. Name of Plan:

This Plan is known as the Sacramento Area Electrical Workers Pension and Profit Sharing Plan.

B. Name, Address and Telephone Number of Board of Trustees:

This Plan is sponsored and administered by a joint board of union and employer representatives, the name, address and telephone number which is:

Board of Trustees of the Sacramento Area Electrical Workers
Pension and Profit Sharing Plan

C/o Judy Sargent
United Administrative Services
1120 S. Bascom Ave.
PO Box 5057
San Jose, CA 95150-5057

Participants and beneficiaries may receive, upon written request to the Plan Administrator, information as to whether a particular employer is a contributor to the Plan, and, if so, the employer's address.

C. Identification Number:

The employer identification number (EIN) assigned by the Internal Revenue Service to the Trust is 94-2773478. The Plan number is 002.

D. Type of Plan:

This Plan may be described as a money purchase defined contribution money purchase pension and profit sharing plan that provides benefits at retirement and at termination of employment.

E. Type of Administration:

This Plan is administered by the Board of Trustees with the contractual assistance of a fund manager, a certified public accountant, an investment monitor, investment manager and an attorney.

F. Name, Business Address and Telephone Number of Plan Administrator:

See Item B above.

G. Name and Address of Agent for Service of Process:

The Board of Trustees has designated Judy Sargent, United Administrative Services 1120 S. Bascom Ave., PO Box 5057, San Jose, CA 95150-5057 as agent for service of legal process on behalf of the Trust Fund. Service of legal process may also be made upon any Trustee.

H. Name, Title and Business Address of Trustees:

Union Trustees:

A. C. Steelman
IBEW Local 340
2840 El Centro Rd., Ste. 115
Sacramento, CA 95833-9700

Stephen Stinson
IBEW Local 340
2840 El Centro Rd., Ste. 115
Sacramento, CA 95833-9700

Jeff Story
IBEW Local 340
2840 El Centro Rd., Ste. 115
Sacramento, CA 95833-9700

Frank Albert
IBEW Local 340
2840 El Centro Rd., Ste. 115
Sacramento, CA 95833-9700

Employer Trustees:

Fran McDermott
NECA
1129 D Street
Sacramento, CA 95814

Dan Magyar
c/o NECA
1129 D Street.
Sacramento, CA 95814

Jack Baker
CMSH Electric
4331 Auburn Blvd.
Sacramento, CA 95841

I. Description of Collective Bargaining Agreement:

This Plan is maintained pursuant to a collective bargaining agreement between Local Union No. 340, International Brotherhood of Electrical Workers, and the Greater Sacramento Area Chapter of the National Electrical Contractors Association, as well as other collective bargaining agreements which provide for the making of employer contributions to the Plan. Upon written request to the Fund Manager, participants and beneficiaries can receive copies of any such agreement. The

agreements are also available for inspection at the office of the local union and the office of any employer that regularly employs 50 or more Plan participants.

J. Eligibility, Participation and Benefits:

Employees are eligible to participate in this Plan if they work under the collective bargaining agreement described above and a contribution is made on their behalf. There are no age or service requirements for initial participation. You are a participant as soon as the first Employer contribution is made, or is required to be made, on your behalf. All contributions to your account are 100% vested. Benefits may be taken in a lump sum or in an annuity.

Normal Retirement Benefits

The benefit consists of the participant's account balance and is payable at age 62 for employees who retire from covered employment in the trade within the geographic area covered by the Plan.

Early Retirement Benefits

The benefit consists of the participant's account balance and is payable at age 55 for employees who retire from covered employment in the trade within the geographic area covered by the Plan.

Disability Retirement Benefits

A participant who becomes permanently and totally disabled as determined by the Social Security Administration under Title II of the Social Security Act Board or as determined by the Board of Trustees based on medical evidence may withdraw his/her account balance at any age. The disability retirement is available only once in a participant's lifetime.

Termination Benefit

A participant who terminates work for a covered employer and does not work for a covered employer for three (3) months may withdraw up to \$15,000 of the (pension and profitsharing combined) account balance.

FORMS OF BENEFIT PAYMENTS

The automatic form of benefit depends on the marital status of a participant at retirement.

(a) If the participant has been married for one year, the automatic form of payment is a 50% Contingent Annuitant option with his spouse as Contingent Annuitant. A married employee may reject the 50% Joint and Survivor Benefit option and elect one of the optional forms of benefits described elsewhere in this booklet. The rejection form must be signed by the employee and the employee's spouse before a notary public or representative of the Plan.

Upon retirement both married and unmarried employees can elect a Contingent Annuitant option. This has the effect of reducing the monthly retirement benefit to the employee and providing

a reduced monthly benefit to a designated beneficiary. The options are as follows:

- (1) 100% of the retired employee's monthly benefit
- (2) 75% of the retired employee's monthly benefit
- (2) 50% of the retired employee's monthly benefit

After payment of benefits has begun, selection of the contingent annuity option cannot be changed.

(b) A participant may elect an annuity payable on his/her life only if unmarried or with the spouse's consent. The duration of the annuity and monthly payment can vary at the election of the participant. In each case the value of the annuity will equal the value of the participant's account balance.

(c) A participant may elect a lump sum distribution of his/her account balance at retirement. If married for the 12 months prior to retirement this option can only be taken with the spouse's written consent.

(d) A participant may elect a 1 to 10 year guaranteed benefit. This option pays benefits for the lifetime of the participant but at least for the period elected (1 to 10 years) even if the participant dies prior to the expiration of the selected guaranteed period. In that event the benefit will continue for the balance of the guaranteed period and be paid to the designated beneficiary.

K. Death Benefits:

If a participant dies before retirement and is married the account balance will be paid to his/her spouse or if he/she has no spouse to the designated beneficiary. The spouse/beneficiary may elect any optional form of benefit described in the Plan.

L. Plan Termination Insurance:

Benefits under this Plan are not insured by the Pension Benefit Guaranty Corporation (PBGC) since the Plan provides for individual accounts that are fully funded.

M. Source of Contribution to the Plan and Method of Determining Amount of Contribution:

Employers who are parties to the collective bargaining agreement by which this Plan is established make monthly contributions to the Sacramento Area Electrical Workers Pension Trust Fund. The amount of contribution is established by collective bargaining.

N. Funding Medium:

Funds received by the Trust are transferred to Putnam Investments as to each participant's Self-Directed Account. As to the Trustee managed portion of the Plan the Trustees invest those

moneys with the help of money managers and an investment advisor.

O. End of Plan Fiscal Year:

The end of the Plan's fiscal year is December 31.

P. Procedures to be Followed in Presenting Claims for Benefits and Remedies Available for Claims Denied in Whole or in Part:

There are certain filing requirements which must be observed in order to protect employees' rights under the Plan. Application forms can be obtained from the administration office or the local union office. The requirements are as follows:

Application Requirement

(1) Application for Retirement Benefits - To receive retirement benefits on the effective date of retirement, an employee must file his application with the Trustees at least 60 days in advance. Benefits cannot be paid until proper application has been made.

(2) Death Benefits - The beneficiary must notify the administrative office of an employee's death and provide them with a certified copy of the death certificate.

(3) Designation of Beneficiary - Beneficiaries must be designated on the form provided for that purpose, and the form must be dated. Beneficiaries may be changed subject to the approval of the Trustees.

Appeal of Benefit Denial

Initial Determination: A participant whose application for a pension is wholly or partly denied will receive written notice of the Trustees' decision from the Administrator. The notice will tell: (1) the reason for the denial; (2) the section of the Plan document on which the denial is based; (3) what additional information is needed to perfect the claim; and (4) explain the right to appeal the decision. The determination will be made within 90 days. If the Trustees determine a decision cannot be made within 90 days they may take up to an additional 90 days to make the initial determination

A participant must file the written appeal within 60 days of receiving notice that the application was denied. Failure to file within 60 days waives the participant's right to appeal, and the Trustees' decision will be final and binding.

The written appeal must state why the participant feels the Trustees' decision was in error, and must set forth all supporting arguments, issues and comments. To perfect his appeal, the participant may examine any relevant document in the possession of the Trust or Trustees.

Review: Within 60 days after the Plan receives the written appeal/request for review a decision will be rendered unless it is determined that special circumstances require an extension of time for assessing the evidence and processing the claim. In that event a decision will be rendered within 120 days. The Trustees will advise of the need for an extension prior to the expiration of the first 60 days. Should the claim be denied on appeal the Participant will be advised of the right to file suit in United States District Court under ERISA §502(g) and the he/she may be eligible for attorney fees if successful in the litigation.

The Trustees' decision will be in writing and state the specific reasons for the decision, referring to the Trust or Plan document sections on which the decision is based. This decision is final and binding upon the participant and all person claiming under the participant.

This claims and appeals procedure applies to every claim or right asserted under this Plan (except claims for Disability Retirement as noted below) regardless of when the act or omission upon which the claim is based occurred. The Trustees retain full discretion to interpret the terms of the Plan and to make factual determinations in connection with determining eligibility for benefits and in connection with determinations at each stage of this claim and appeal procedure.

Special Appeal Rules for Disability Retirement

Initial Determination: A participant whose application for a Disability Retirement is wholly or partly denied will receive written notice of the Trustees' decision from the Administrator. The notice will tell: (1) the reason for the denial; (2) the section of the Plan document on which the denial is based; (3) what additional information is needed to perfect the claim; and (4) explain the right to appeal the decision. The decision will be made in 45 days unless special circumstances arise. In that event the extension of up to 30 days will be taken. No more than two such extension will be allowed and the Trustees will notify the participant of the need for the extension prior to the expiration of the 45 days.

Appeal: Written appeal must be filed within 180 days of receiving notice that the application was denied. Failure to file within 180 days waives the participant's right to appeal, and the Trustees' decision will be final and binding.

The written appeal must state why the participant feels the Trustees' decision was in error, and must set forth all supporting arguments, issues and comments. To perfect his appeal, the participant may examine any relevant document in the possession of the Trust or Trustees. The participant will be supplied all relevant documents free of charge upon request.

Review: Within 45 days after the Plan receives the written appeal/request for review a decision will be rendered unless it is determined that special circumstances require an extension of time for assessing the evidence and processing the claim. In the event a decision will be rendered within 90 days. The Trustees will advise of the need for an extension prior to the expiration of the first 45 days.

The Trustees' decision will be in writing and state the specific reasons for the decision, referring to the Trust or Plan document sections on which the decision is based. This decision is final and binding upon the participant and all person claiming under the participant.

This claims and appeals procedure applies to every claim or right asserted for a Disability Retirement under the Plan regardless of when the act or omission upon which the claim is based occurred. The Trustees retain full discretion to interpret the terms of the Plan and to make factual determinations in connection with determining eligibility for benefits and in connection with determinations at each stage of this claim and appeal procedure.

Q. Statement of Participants' Rights Under the Employee Retirement Income Security Act of 1974 (ERISA):

As a participant in the Sacramento Area Electrical Workers Pension and Profit Sharing Plan you are entitled to certain rights and protection 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 plan administrator's office and at other specified locations, such as worksites and union halls, all plan documents, including insurance contracts, collective bargaining agreements and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions.

Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Administrator may make a reasonable charge for the copies.

Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report. Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 62) and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. 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 for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit 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, your union, or any other person, 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 a pension benefit is denied in whole or in part you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from 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 the Plan Administrator to provide the materials and pay you up to \$110.00 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of

the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a federal or state court. If it should happen that 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. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest Area Office of the Employee Benefits Security Administration, Department of Labor.

San Francisco Regional Office
90 7th St, Ste 11-300
San Francisco, CA 94103
Tel 415.625.2481
Fax 415.625.2450

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