Eighth District
Electrical Pension Fund
Administrative Office
2821 SOUTH PARKER ROAD
SUITE 1005
AURORA, COLORADO 80014
(303) 745-1539

NOTICE OF CRITICAL STATUS

for

EIGHTH DISTRICT ELECTRICAL PENSION FUND

TO: All Participants, Beneficiaries, Participating Local Unions, and Contributing Employers

FROM: Board of Trustees
Eighth District Electrical Pension Fund

DATE: May 28, 2009

This will notify you that on May 15, 2009 the plan actuary certified to the U.S. Department of Treasury and to the Board of Trustees that the Plan is in critical status for the plan year beginning April 1, 2009. Federal law requires that you receive this notice.

Critical Status

The Plan is considered to be in critical status because it has funding problems. More specifically, the Plan's actuary determined that over the next three plan years, the Plan is projected to have an accumulated funding deficiency for the April 1, 2011 – March 31, 2012 plan year.

Rehabilitation Plan and Possibility of Reduction of Benefits

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan.

As part of the rehabilitation plan, the law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits." If the Board of Trustees determines that it is necessary to reduce or eliminate adjustable benefits, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement (which is generally age 65 under the Eighth District Electrical Pension Fund).

In addition, the reductions in adjustable benefits will only apply to you if your benefit commencement date is on or after May 28, 2009.

Adjustable Benefits

The Plan offers the following "adjustable benefits" which may be reduced or eliminated as part of any rehabilitation plan the Plan may adopt:

1. Early retirement benefits or early retirement-type subsidies;
2. Disability benefits;
3. The 60-month guarantee on the single life pension;
4. Pre-retirement death benefits (except for a 50% pre-retirement survivor annuity for a surviving spouse).

Employer Surcharges

The law requires that all contributing employers pay to the Plan a surcharge to help correct the Plan's financial health. The amount of the surcharge is equal to the percentage of the amount an employer is otherwise required to contribute to the Plan under the collective bargaining agreement. During the first year that a plan is in critical status, the percentage is 5% of required contributions. In subsequent plan years, it is 10% of required contributions.

This surcharge does not apply once a rehabilitation plan is agreed to by the bargaining parties.

Where to Get More Information

For more information about this notice, you may contact Compusys of Colorado, at 2821 South Parker Road, Suite 1005, Aurora, Colorado 80014, (303) 745-1539. When a rehabilitation plan is adopted by the Board of Trustees, you have a right to receive a copy.