Notice of Endangered Status
For
Local No. 697 I.B.E.W. and Electrical Industry Pension Fund

EIN: 51-6133048 / PN: 001

This is to inform you that on March 30, 2012, the plan actuary certified to the U.S. Department of the Treasury, and also to the Plan sponsor, that the Plan is in endangered status for the Plan year beginning January 1, 2012. Federal law requires that you receive this notice.

Endangered Status

A Plan is considered to be in endangered status when its assets are less than 80% of its liabilities and/or the plan is projected to have a funding deficiency within the next seven years as described in Section 432 of the Internal Revenue Code. While the actuary for the Local No. 697 I.B.E.W. and Electrical Industry Pension Fund has certified that the Plan is not projected to have a funding deficiency within the next seven years, the Pension Fund's assets are less than 80% of its projected liabilities. Therefore, the Pension Fund is in Endangered Status (Yellow Zone).

Funding Improvement Plan

Federal law requires pension plans in endangered status to adopt a Funding Improvement Plan aimed at improving the financial health of the Plan. The Funding Improvement Plan must include actions that are reasonably likely to achieve a 1/3 reduction in the underfunded liability over a period of 10 years (thirteen years with a WRERA extension). The law permits pension plans to reduce benefits earned in future years as part of a Funding Improvement Plan. In compliance with law, the Plan Trustees, in consultation with the Plan's actuary, have determined no changes to benefits are necessary as part of the Funding Improvement Plan. If the Trustees determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. The Funding Improvement Plan requires increased contributions from employers and no change in benefits. As of 1/1/2012, the Plan continued to make anticipated funding progress and the contribution rate remains at $6.75 per hour.

For more information about this notice, you may contact:

David A. Soderquist
Local No. 697 IBEW & Electrical Industry
Pension Fund
7200 Mississippi Street, Suite 300
Merrillville, IN 46410
Phone (219) 845-4433

You may also make inquiry with the United States Department of Labor at:

Division of Technical Assistance and Inquiries
Employee Benefits Security Administration
U.S. Department of Labor
Washington, D.C. 20210

DATE SENT: _____

cc: Local Unions
Employers
PBGC
U.S. Secretary of Labor (DOL)