NECA-IBEW PENSION TRUST FUND PENSION PLAN

DESCRIPTION OF THE CONSEQUENCES OF FAILING TO DEFER RECEIPT OF A DISTRIBUTION

Federal law requires the Plan to inform you of your right to defer distribution of your retirement benefit and the financial effect of a decision to defer the commencement of your pension payments until a later date. All of the following illustrations are based on the Plan's 'normal form' of payment for single participants which is a Single Life Annuity with Five Years Certain. This is a monthly benefit payable for your lifetime or 60 months, whichever is greater.

The financial effect of deferring commencement is based on the following Plan rules:

- If you are at least 55 years of age and have at least 5 years of service, the amount your annual pension benefit is reduced by 7.5% for each year that you are under age 60 when your payments start.
- If you are over age 65, your monthly pension amount is increased an actuarial factor for each month that the commencement of your pension is delayed after age 65. This pension amount that is paid at your deferred commencement date will be actuarially equivalent to the value of your pension had it started at age 65.

In general, the latest that you can start your pension payments is the April 1 following the calendar year in which you attain age 70-1/2.

The following illustrations assume that you have earned a monthly pension of $1,000.00 per month based on the Plan's benefit formula, it will be paid as a Single Life Annuity with Five Years Certain, and that you will not earn any additional benefits from work in covered employment in the future.

Your age when you start your pension	Your monthly pension amount
55	$ 625.00
56	$ 700.00
57	$ 775.00
58	$ 850.00
59	$ 925.00
60	$1,000.00
62	$1,000.00
65	$1,000.00

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Factors That Can Significantly Affect Deferred Benefits

When to start your pension is a financial decision that is informed by many factors. Along with your tax and/or financial advisors, you should consider:

Taxes:
You will be subject to federal income taxes on the amounts that you actually receive from the Plan. If you defer the commencement of your pension payments, you will also defer the taxation of your pension. If you do NOT defer receipt of your pension, then you will lose any benefits that you might receive from postponed taxes.

The benefits of deferring the start of your pension may be increased if you are subject to a lower tax rate in the future when you elect to begin receiving your pension. On the other hand, it is possible that federal taxation may undercut the financial effect of deferring the start of your pension if you are subject to a higher tax rate in the future when you elect to begin receiving your pension.

Investment Return:
Deferring the commencement of your pension is like investing your pension. From the illustration above, if you earned $1,000 under the Plan's benefit formula before you retired, you will receive $625 per month if your pension starts at age 55, or $1,000 per month if your pension starts at age 60. This is like investing your pension and earning interest for the five years from age 55 to age 60.

On the other hand, you would receive $1,000 per month if your pension is deferred after age 60 to age 62. In this situation, you need to look at other factors that affect the value of deferring your pension because your monthly amount would not change.

Continued Years of Service:
Whether you continue to work in covered employment will significantly affect the amount of your monthly pension. How your continued employment will affect your pension will be based on Plan rules regarding when and how you can accrue additional pension amounts and whether your pension payments would be subject to suspension if you work after you elect to start your pension payments.

How Long You Live:
Whether you would actually realize a benefit from deferring the start of your pension will depend on how long you live. If you die while your pension is deferred or defer the start of your pension but die soon after it starts, the amount of pension that you and your survivor spouse or beneficiary receive will be significantly affected.

Review your Summary Plan Description: The Plan's minimum distribution and death benefit rules may affect your ability to postpone receipt of your benefit. The minimum distribution rules require you to begin receiving you benefit no later than April 1 following the calendar year in which you reach age 70-1/2. Also, the beneficiary of a death benefit may not have the right to leave his/her benefit in the Plan. These rules are contained in your Summary Plan Description.