

# IBEW LOCAL NO. 117

## FRINGE BENEFIT FUNDS

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IBEW Local No. 117 Health & Welfare Fund  
IBEW Local No. 117 Pension Fund  
IBEW Local No. 117 Vacation Fund

Managed for the Trustees by:  
TIC INTERNATIONAL CORPORATION

### Notice of Election Under the Pension Relief Act of 2010 for the IBEW Local No. 117 Pension Plan

This Notice, which is required by federal law, provides important information about the funding level of the IBEW Local No. 117 Pension Plan (the "Plan"), Plan Number 001, Tax Identification Number 36-6474808.

On August 24, 2010, the Board of Trustees for the Plan adopted the funding relief that was provided by the *Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010* ("PRA"). This funding relief was established to help pension plans cope with the unprecedented market downturn in late 2008 and early 2009. Although the IBEW 117 Pension Plan was affected less than many other union pension plans, the Trustees decided that it was best to take advantage of any relief that would help the funding of the Plan.

#### Relief Elected

The Board of Trustees elected to adopt the following relief offered by the PRA:

- Amortize the losses incurred in 2008 over 30 years instead of 15 years for purposes of calculating the Fund's credit balance. - This provision will give the Plan more time to make those payments, similar to getting a 30-year mortgage instead of a 15-year mortgage.
- Increase the cap on the actuarial value of assets to 130% from 120% of market value for the plan years beginning in 2009 and 2010. - The ratio of the Plan's actuarial value of assets to market value of assets exceeded 120%, so increasing the cap to 130% will allow the losses to be deferred over the regularly scheduled period.
- Smooth the loss for 2008 over 10 years instead of 5 years for purposes of calculating the actuarial value of plan assets. - This provides further deferral, slowing the recognition of this asset loss.

The PRA funding relief will give the Plan more time to pay off the market losses of 2008/2009 and will lower the amount of required minimum contributions. This will allow your plan to take less action, whether it be contribution rate increases or benefit reductions. The PRA funding relief may also help to improve the zone status of current and future PPA certifications.

#### Eligibility for Relief

The actuary has certified that the Plan will remain adequately funded over the entire 30-year smoothing period allowed by PRA. It is the intention of the Board of Trustees to provide the proper funding of all benefits, including the full funding of all accrued benefits, in order for the Plan to meet the eligibility requirements of the Act.

#### Benefit Improvement Restriction

PRA restricts your plan from making any benefit improvements for the years in which the special PRA funding rules apply plus two additional years. Improvements in future benefits can only be made with contribution rate increases over the relief period. For your plan this restriction will expire on January 1, 2017.

#### Where to Get More Information

If you have any questions regarding this notice, please call the Fund Office at TIC International, 6525 Centurion Drive, Lansing, MI 48917-9275, (517) 321-7502.

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