



JOINT INDUSTRY BOARD OF THE ELECTRICAL INDUSTRY

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July 2007

**Re: The Additional Security Benefits Plan of the Electrical Industry
The Annuity Plan of the Electrical Industry
The Deferred Salary Plan of the Electrical Industry**

Dear Participant:

The recently negotiated collective bargaining agreement provided for various changes to the above-referenced plans. All changes have been approved by the Trustees of these plans.

Listed below is a description of each change, by plan, and to whom each change applies:

**For All Participants of the Additional Security Benefits Plan
of the Electrical Industry ("ASBP"):**

1. Effective August 1, 2007, the Supplementary Disability Benefit will increase from the current maximum of \$259 per week to \$400 per week for all those participants who are covered by The Electrical Employers Self Insurance Safety Plan ("EESISP").

For those participants not covered by EESISP, the Supplementary Disability Benefit will increase from the current maximum of \$518 per week to \$650 per week.

This increase applies to all disability claim payments issued on or after August 1, 2007.

2. Effective August 1, 2007, the Supplementary Workers' Compensation Benefit will increase from the current maximum of \$227 per week to \$400 per week for all those participants who are covered by The Electrical Employers Self Insurance Safety Plan ("EESISP").

For those participants not covered by EESISP, the Supplementary Workers' Compensation Benefit will increase from the current maximum of \$518 per week to \$650 per week.

This increase applies to all Workers' Compensation claim payments issued on or after August 1, 2007.

3. The minimum \$2,000 balance requirement no longer applies. The following benefits will no longer be subject to the \$2,000 minimum balance requirement:
 - a) Supplementary Financial Assistance (delinquent rent/mortgage);
 - b) College Tuition and Non-Private School Reimbursement; and
 - c) Adoption Expense.

For All Participants of the Annuity Plan of the Electrical Industry:

1. The maximum allowable monthly distribution is increased from \$1,500 to \$2,500.

This applies to all distributions that occur on or after August 1, 2007.

2. There will be a one-time maximum lump sum distribution of up to \$20,000.

This is only available to retired participants, those who have withdrawn from the electrical industry and beneficiaries and applies to all distributions that occur on or after August 1, 2007.

The Deferred Salary Plan of the Electrical Industry (“401k Plan”)

The following items 1-3 apply only to participants covered under the Local 3 Collective Bargaining Agreement in the New York City jurisdiction.
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1. For “A” Rated Journeypersons Only:

The employer contribution of 13% of standard gross wages, plus \$2.00 per hour, previously contributed to the Vacation, Holiday and Unemployment Plan (“VHUP”) will now be made to the Deferred Salary Plan as an employer contribution beginning as of the week ending July 4, 2007. This is in addition to the 7.65% of total gross wages that were previously contributed to the Deferred Salary Plan.

2. For “M” and MIJ” Journeypersons Only:

The new 1% mandatory salary deferral shall be deducted from your salary and remitted directly to Putnam Investments as an **Employee** contribution. The 1% may be increased at your election.

3. For “A” Apprentices and “M” Helpers Only”

\$1.50 per hour, previously contributed to the Health Reimbursement Account (“HRA”) Plan will now be remitted to Putnam Investments as an employer contribution beginning as of the week ending July 4, 2007.

The maximum account balance for “A” Apprentices and “M” Helpers has been changed to \$1,500. If your account balance equals or exceeds \$1,500, you will not receive additional employer contributions into your HRA account. Instead, all excess employer contributions received for weeks ending July 4, 2007 or later will be directed to the Deferred Salary Plan until such time as your HRA account balance falls below \$1,500.

The new 1% mandatory salary deferral for the 3rd and 4th year apprentices and M-helpers shall be deducted from your salary and remitted directly to Putnam Investments as an **employee** contribution. The 1% may be increased at your election.

For all active Participants who receive employer contributions to the Deferred Salary Plan:

Effective August 1, 2007, all benefits paid from employer contributions as indicated on pages 3 and 4 will be paid from the Deferred Salary Plan if you do not have sufficient funds in your other accounts. This will commence without the submission of an application and the first holiday it will apply to will be the Labor Day payment. In addition, all ASBP, VHUP, and Deferred Salary Plan benefits will be paid to you according to the priority payment chart on pages 3 and 4 of this letter.

If you do not want to receive these benefits from the Deferred Salary Plan please notify the Joint Industry Board of your choice in writing by completing the enclosed Deferred Salary Plan Coordination of Benefit Payments Rejection Card and returning it to the Deferred Salary Plan Department at the Joint Industry Board of the Electrical Industry, located at 158-11 Harry Van Arsdale Jr. Avenue, Flushing, NY, 11365.

IMPORTANT INFORMATION REGARDING ALL DEFERRED SALARY PLAN EMPLOYER CONTRIBUTION WITHDRAWALS:

- ★ Distributions from the Plan are subject to 20% federal income tax withholding, as required by IRS regulations.
- ★ Withdrawals by a participant who is still working in the electrical industry and is younger than 59 ½ or by a participant who withdraws from the industry prior to age 55 are subject to the IRS penalty tax of 10%.
- ★ Payments that are subject to the IRS 10% penalty tax will not be assessed that penalty tax upon distribution. The participant will receive a form 1099 from the Deferred Salary Plan and must file the appropriate information with the IRS in order to pay the applicable tax.
- ★ There is **no** 10% IRS penalty tax when a payment is made to an active participant who is 59½ or older or to a participant who retires under the provisions of the Pension Trust Fund of the Electrical Industry.

For all active participants who maintain a balance in multiple plans including the Additional Security Benefits Plan, the Health Reimbursement Account Plan, the Vacation, Holiday and Unemployment Plan and the Deferred Salary Plan:

The priority payment order is as follows:

Benefit Type	1st Source Until Exhausted	2nd Source Until Exhausted	3rd Source Until Exhausted
Supplementary Economic Assistance (includes medical, dental, prescription drug, over-the-counter medicines, COBRA, Medicare part B and Long Term Care premiums)	ASBP or HRA	ASBP or HRA	401k * <i>(This benefit will never be coordinated with the 401k plan and must be applied for separately)</i>
Supplementary Financial Assistance (delinquent rent/mortgage)	ASBP	401k* (subject to remaining balance of \$2,000)	N/A
College Tuition & Non-Private School Tuition Reimbursement	ASBP	401k* (subject to remaining balance of \$2,000)	N/A
Jury Duty Benefit	ASBP	401k*	N/A
Funeral Leave Benefit	ASBP	401k*	N/A
Adoption Expense	ASBP	401k* (subject to remaining balance of \$2,000)	N/A
Supplementary Workers' Compensation and Supplementary Disability Benefits	ASBP	401k*	N/A
Supplementary Unemployment Benefits During Furlough Time	VHUP	ASBP	401k*

Supplementary Unemployment Benefits During non-Furlough Time	ASBP	VHUP	401k*
Holiday Benefits	VHUP	ASBP	401k*
Vacation Benefit (wage replacement portion)	VHUP	ASBP	401k*
Vacation Benefit (supplemental expense portion)	VHUP (subject to remaining balance of \$2,000)	ASBP	401k*

**** All Deferred Salary Plan withdrawals for these benefits are made from employer contributions only which are invested in the Joint Industry Board Capital Preservation Fund.***

For benefit applications pertaining to all of the above plans, please visit www.jibe.org or contact the Joint Industry Board at (718) 591-2000 and we will mail them to you.

For questions concerning any of the changes described in this letter, or concerning any of the above-referenced plans, please contact the Annuity Department at the Joint Industry Board at (718) 591-2000, ext. 2222.

Sincerely,

The Joint Industry Board of the Electrical Industry