



Electrical Workers Administration and Claims Office

General Welfare, Vacation, Pension & Retirement Savings Funds



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Participants of the IBEW Local 701
Retirement Savings Fund

IMPORTANT CHANGE IN WITHDRAWAL RULES EFFECTIVE JANUARY 1, 2007

Dear Plan Participant:

Recent court decisions have held that an individual's retirement savings account balance may be seized by creditors in bankruptcy proceedings if the retirement plan provides for hardship withdrawals. Individual accounts of retirement savings plans that do not allow hardship withdrawals are not subject to seizure by creditors.

Your Retirement Savings Fund account is an important component of your retirement income which must be protected in the event of a personal bankruptcy. The Plan's hardship withdrawal provision puts your retirement security at risk in the event that you have to file for personal bankruptcy.

In light of this development, the following changes have been made to the withdrawal provisions of the Plan effective January 1, 2007:

- **The Hardship Withdrawal provision of the Plan is eliminated**
- **The In-Service Distribution provision of the Plan is changed to allow only roll over distributions** to a personal Individual Retirement Account (IRA) or into another qualified retirement plan for contributions received after January 1, 2007.

Although cash distributions will no longer be allowed for in-service distributions of contributions received after January 1, 2007, the distribution rules for in-service withdrawal of contributions received prior to January 1, 2007, and withdrawals due to termination of employment (after you have been separated from covered employment of at least 12 consecutive months), retirement, total and permanent disability and qualified domestic relations orders will not change.

A summary of the Plan's withdrawals rules as of January 1, 2007 is provided below:

Withdrawal Type	Method of Payment Allowed
In-Service Withdrawal of all but the last two years of contributions (dating from the month prior to your request), limited to one withdrawal per calendar year for contributions received prior to January 1, 2007.	1) Rollover to personal IRA or another qualified retirement plan 2) Cash distribution, subject to mandatory IRS tax withholding
In-Service Withdrawal of all but the last two years of contributions (dating from the month prior to your request), limited to one withdrawal per calendar year for contributions received after January 1, 2007.	1) Rollover to personal IRA or another qualified retirement plan
Termination of Employment (after no contributions are made on your behalf for 12 consecutive months)	1) Rollover to personal IRA or another qualified retirement plan 2) Cash distribution, subject to mandatory IRS tax withholding
Retirement	1) Rollover to personal IRA or another qualified retirement plan 2) Cash distribution, subject to mandatory IRS tax withholding
Permanent and Total Disability	1) Rollover to personal IRA or another qualified retirement plan 2) Cash distribution, subject to mandatory IRS tax withholding
Qualified Domestic Relations Order	1) Rollover to personal IRA or another qualified retirement plan 2) Cash distribution, subject to mandatory IRS tax withholding

Beginning January 1, 2007, requests for distributions must be filed on-line via the Prudential Website. www.prudential.com/online/retirement or by calling Prudential, toll free, at (877) 778-2100.

If you have questions regarding the changes to the Plan, please call the Fund Office at (630) 393-1701.

Very truly yours,

BOARD OF TRUSTEES OF THE
IBEW LOCAL 701 RETIREMENT SAVINGS FUND