



Electrical Workers Administration and Claims Office

General Welfare, Vacation, Pension & Retirement Savings Funds



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June 1, 2004

To Participants of the
IBEW Local 701 Supplemental Unemployment
Benefits Fund of the Electrical Industry

NOTICE OF CHANGES IN BENEFITS

Dear Plan Participant:

On April 27, 2004, your Union held a membership meeting to discuss the financial position of our Supplemental Unemployment Benefit (SUB) Fund. Since its inception in 1997, the SUB Fund has collected over \$2 million in employer contributions. More than 700 participants have collected over \$1.4million in benefits and over \$600,000 has been directed to individual Retirement Savings accounts. Unfortunately, the recent period of unemployment has left the Fund with a balance of less than \$50,000.

In order to keep the Fund solvent, the membership overwhelmingly agreed to provide financial support for the SUB Fund by approving a one time transfer of up to \$100,000.00 from the Union's General Fund and approving a \$.10 per hour increase in the contribution rate to \$.20 per hour-effective June 1, 2004.

In addition, the SUB Fund's Board of Trustees has agreed to the following modifications in the Plan rules effective June 1, 2004.

Benefit Rate

For periods of unemployment on or after June 1, 2004, the benefits payable will be changed to provide:

- \$20.00 per day during periods when the Fund balance is less than \$500,000.00; and,
- \$25.00 per day during periods when the Fund balance is greater than or equal to \$500,000.00 but less than \$750,000.00; and,
- \$30.00 per day during periods when the Fund balance is greater than or equal to \$750,000.00.

Directing contributions to the IBEW 701 Retirement Savings Fund

Effective June 1, 2004, the amounts directed to the RSF will be determined by the Fund balance according to the following schedule:

- When the Fund balance is less than \$500,000.00, employer contributions for an individual in excess of \$1000.00 will be directed to the individual's RSF account.
- When the Fund balance is less than \$750,000.00, employer contributions for an individual in excess of \$750.00 will be directed to the individual's RSF account.
- When the Fund balance is greater than or equal to \$750,000.00, employer contributions for an individual in excess of \$500.00 will be directed to the individual's RSF account.

We are hopeful that the combination of additional funding and the changes in the benefit structure will provide sufficient financial relief so that we can continue to provide benefits to our unemployed members.

Very truly yours,

BOARD OF TRUSTEES