NECA IBEW
OREGON-COLUMBIA LOCAL 48
LEADING THE ELECTRICAL INDUSTRY

Edison Pension Plan Membership Meeting

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Plan Overview

- Established in 1970
- Provides stable, lifelong retirement benefits
  - Disability and death benefits
- $700 million in benefits paid so far
- Cornerstone of Local 48 Retirement Program
  - District 9
  - Cornell-Hart
  - NEBF
  - Harrison Retiree Plan
  - Social Security

Importance to members:

- 50 years of promised benefits paid to generations of IBEW 48 members and their families
- Coveted structure: defined benefit, defined contribution, retiree healthcare
- 42% of households predicted to run out of money during retirement; higher if Social Security becomes insolvent

Plan History

1980s	1990s	2000s	2010s

Economic Expansion

Benefit Percentage Factor (BPF) increased from 2.75% to 4.5%; contribution rate increases restricted by federal law

Dot.com Bubble

BPF reduced from 4.5% to 2.0%; Contribution rates $2.50 to $2.85

Great Recession

BPF reduced from 2.0% to 1.0%

Economic Recovery

Adopted federal funding relief

Created 2011 Structure for new members after June 2011

Contribution rates increased from $2.85 to $8.20

2011 Structure

- Post-2011 members get increasing BPF from 1.00% to 1.33% with full retirement at 65
- Pre-2011 members retain 1.00% BPF with full retirement at 62 or 60 with 25 years of supportive service
- Example – Starts at 35, works 2,000 hours per year

Ret. Age	Starts in 2010	Starts in 2011
60	$3,526	$2,747
61	$3,690	$3,132
62	$3,854	$3,568
63	$4,018	$4,061
64	$4,182	$4,622
65	$4,346	$5,259

Motivations for Change in 2011

Assure a DB plan for future Local 48 members

Attain funding surplus with contribution increases and plan changes

Opportunity for higher overall BPF

Provide more value for longer careers

New work at Intel

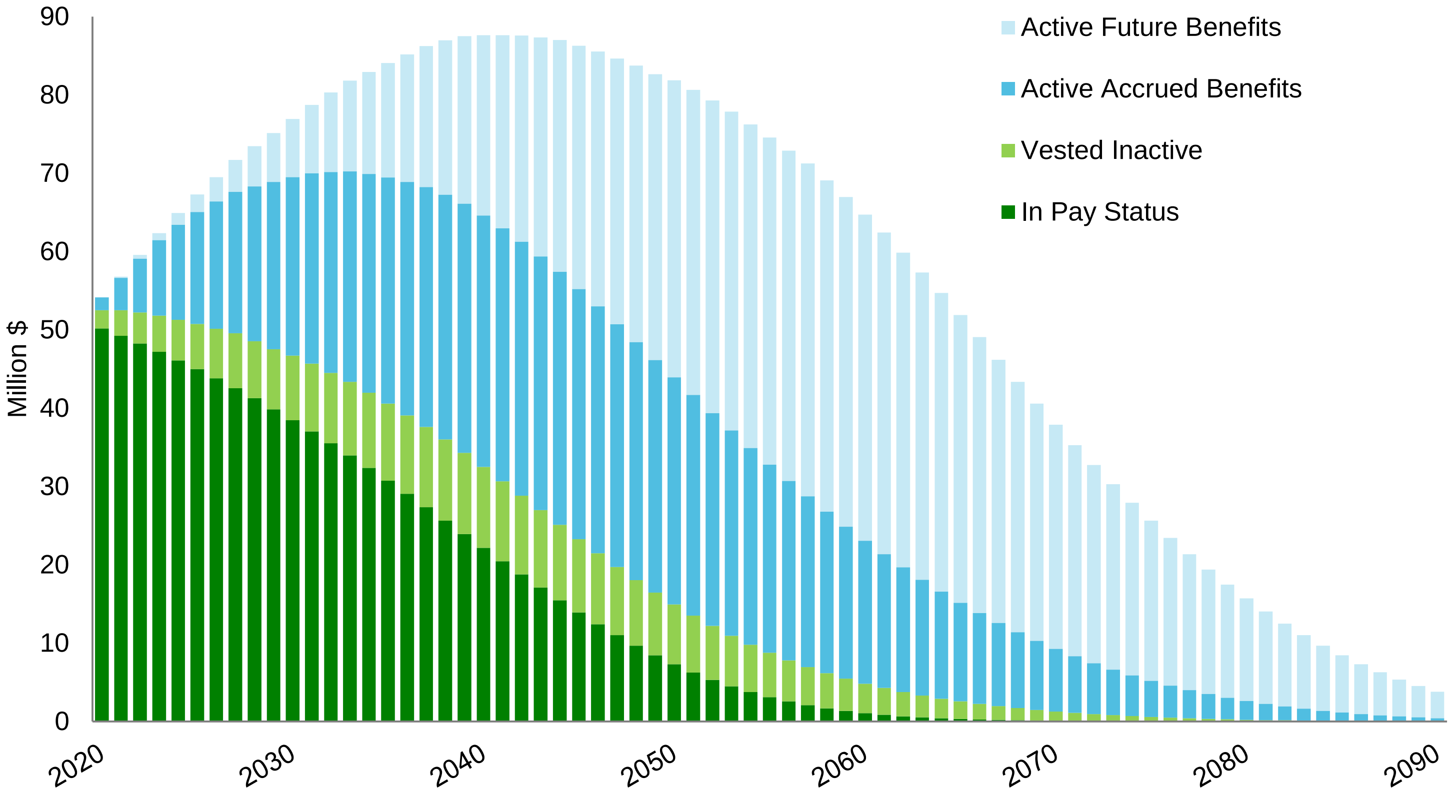
Other Considerations

Provide full benefits earlier than 65 on a limited basis

Expand 2011 Structure to certain 1970 Structure participants perhaps on a voluntary basis

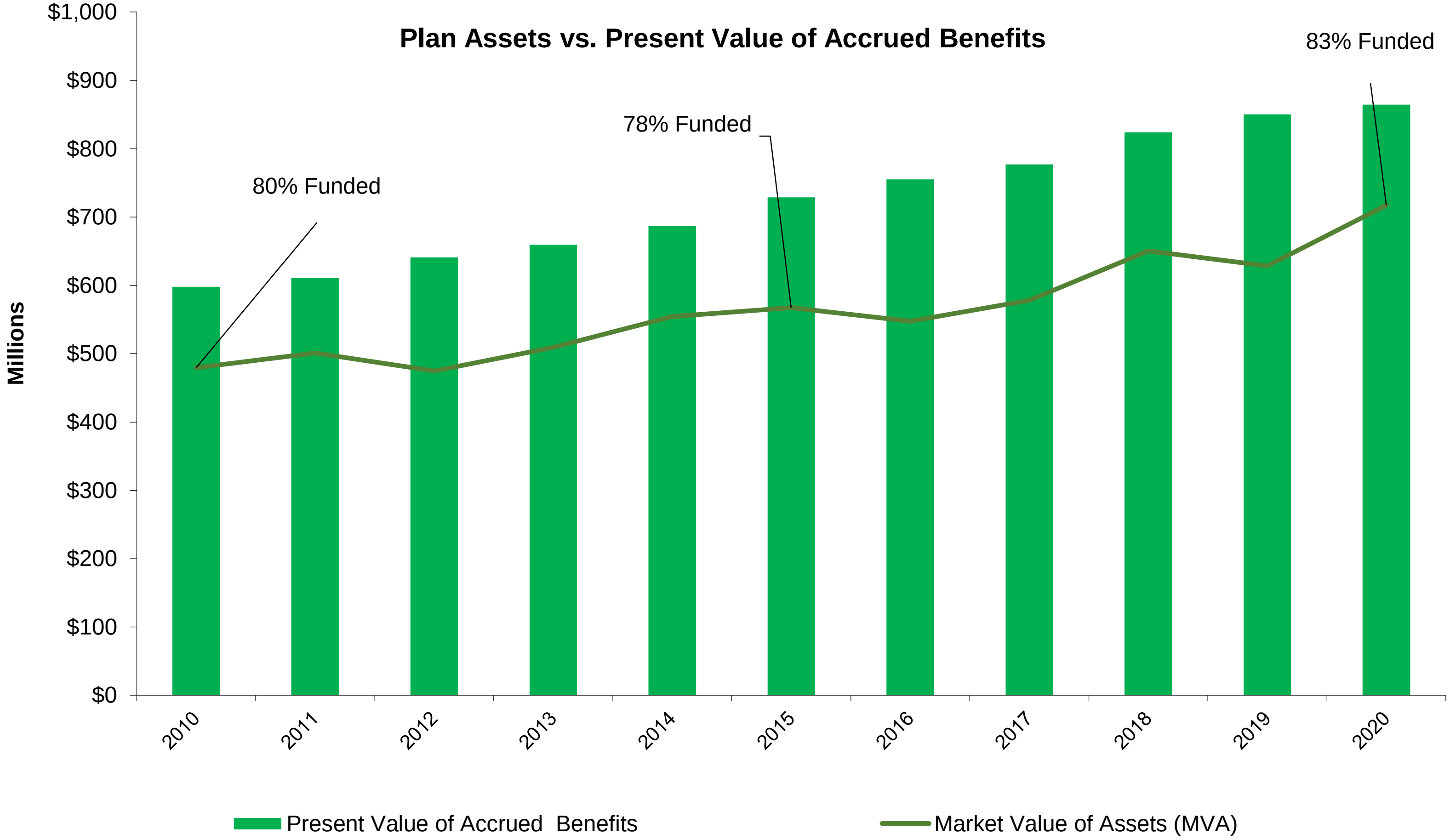
Allow participants to continue to receive retirement benefit when return to work for signatory contractor

Prediction of Future Annual Payments



Historical Funding Progression

The chart below shows the historical funding progression of the Plan's market value of assets vs. the Plan's present value of accrued benefits



Strategy to Improve Funded Status

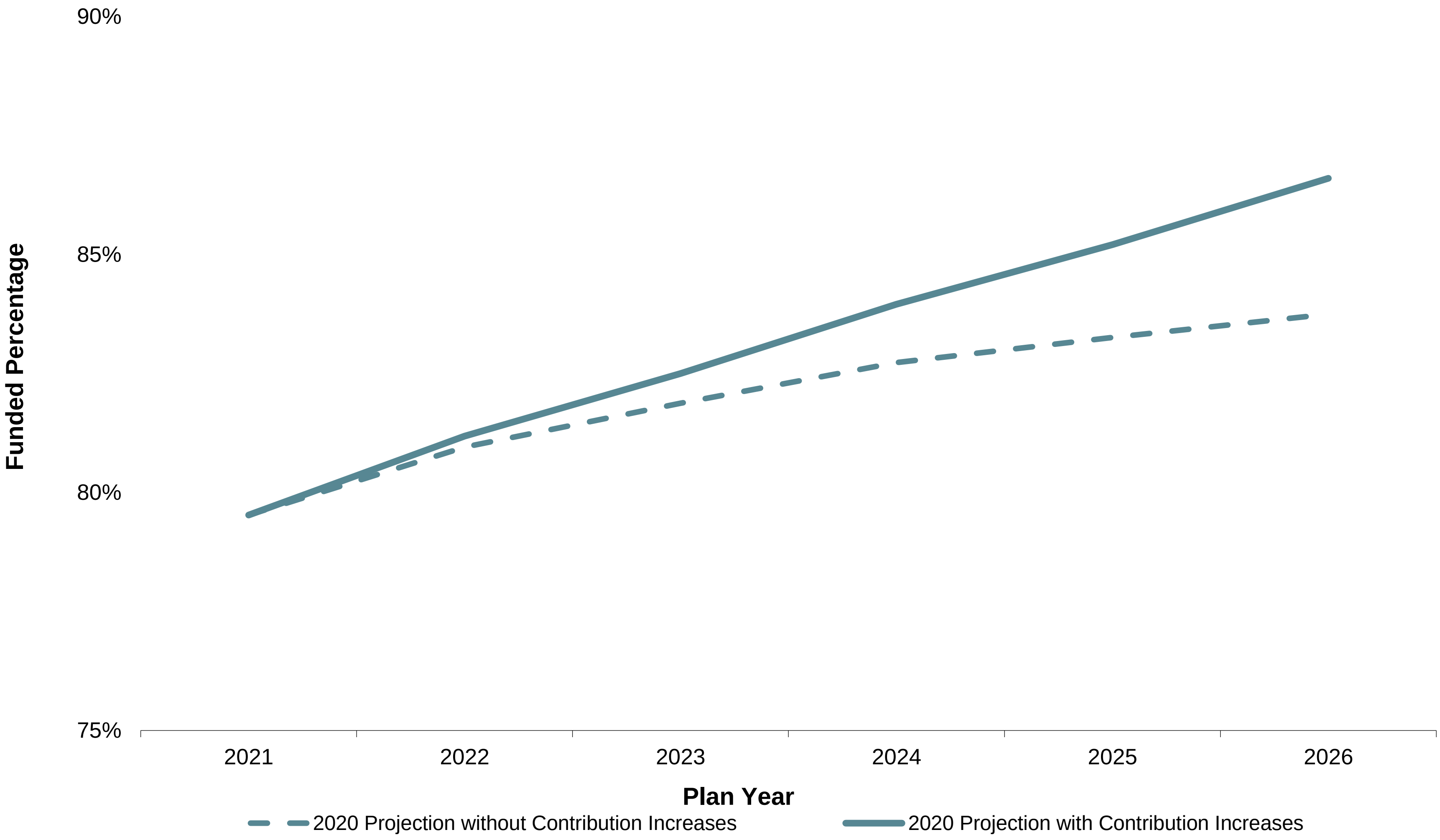
A new approach

- Bargaining parties agreed to 40 cent per hour increase on January 1 for each of the next five years
- Trustees will treat contribution rate increases as non-accruing contribution rates
- Trustees set goal to be at least 87% funded by Jan. 1, 2026

Why is this important

- Prior ad hoc contribution increases has retained Green Zone
- Improvement has been slow
- Annual benefit payments expected to increase
- Dampened investment returns anticipated going forward
- Local economic outlook uncertain

Market Value Funded Percentage Projection



Key Takeaways

- **Green Zone** since 2008
- **Investment return** nearly met assumed investment return for 10 years ending 2019
- The Plan's funded percentage has generally remained in the low 80% range throughout the decade
- Negative cashflow is minimal
- New strategy of 40 cent increase in non-accruing contribution rate in each of the next 5 years
- Goal of new strategy is to achieve at least 87% funded by 2026, approaching 90% after 2026; on a realistic basis

What this means:

- Avoided Yellow and Red Zone and possible accrued benefit cuts that would mostly impact non-retired participants
- Slow improvement in funded status
- Investment volatility weathered better with smaller negative cashflow and non-accruing contributions
- Progress to goal measurable; possibly leading to consideration of plan improvements