

# **SAN DIEGO ELECTRICAL ANNUITY PLAN**

## **SUMMARY PLAN DESCRIPTION**

**Effective January 1, 2019**

**SAN DIEGO ELECTRICAL ANNUITY PLAN**  
**c/o Coast Benefits**  
**3444 Camino Del Rio North #101, San Diego, CA 92108**  
**Tel: (800) 886-7559; (619) 280-2009**  
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John Hancock Retirement Plan Services

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3444 Camino Del Rio North, Suite 101, San Diego, CA 92108  
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Fax:(619) 501-3250

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Dear Plan Participant:

We are pleased to present you with a summary plan description booklet (“SPD”) that provides important information concerning your participation in the San Diego Electrical Annuity Plan (“Annuity Plan”).

The Annuity Plan was established with the goal of providing retirement benefits to eligible retiring Participants. Its benefits supplement those that may be payable from the San Diego Electrical Pension Plan. These Plans provide a measure of financial security for you and your family upon your retirement. The Annuity Plan also provides benefits in the event of your death before retirement or if you become Disabled (as determined by Social Security or California Department of Industrial Relations) before retirement.

The QUESTIONS AND ANSWERS that follow in this booklet summarize the most important provisions of the Plan. As such, they do not address every provision of the Plan. In all cases, the Plan Document governing the San Diego San Diego Electrical Annuity Plan (“Plan Document”) serves as the legal basis governing the administration of the Annuity Plan. Should there be any detail not covered in this summary or if there is any conflict between this summary and the Plan Document, the latter shall govern. You may view a copy of the Plan Document at the Plan Office located at the address shown above. You may also request a copy of the Plan Document by making a request through the Plan Office and paying for any printing costs.

In between SPD booklet printings, you will be notified and kept up to date on any material changes made to the Plan through the issuance of notices referred to as “summary of material modifications” or “SMM.” You should keep this SPD and any SMMs together in a safe place and share them with your family as they contain information that will play an important part in your plans for retirement.

If you have any particular questions about the Annuity Plan or your rights to benefits under the Annuity Plan, you should write to the Plan Office for an explanation. You should understand, however, that only the Board of Trustees can interpret or change the terms of the Annuity Plan and that this authority cannot be delegated to the staff of the Plan Office, the Union or any employer contributing to the Annuity Plan.

If you have any questions, the staff of the Plan Office will be happy to answer them.

Sincerely,

BOARD OF TRUSTEES

## **IMPORTANT**

This explanation in this SPD is no more than a brief and very general statement of the most important provisions of the Annuity Plan. No general statement such as this can adequately reflect all of the details of the Annuity Plan. Nothing in this statement is meant to interpret or extend or change in any way the provisions expressed in the Annuity Plan itself. The rights of a Participant or Beneficiary can only be determined by consulting the Plan Document..

As a courtesy to you, the Plan Office may respond informally to your oral questions by telephone or in person at the Plan Office. However, these oral answers are not binding upon the Board of Trustees and cannot be relied on in any dispute concerning your benefits.

**ONLY THE FULL BOARD OF TRUSTEES IS AUTHORIZED TO INTERPRET THE PLAN OF BENEFITS DESCRIBED IN THIS BOOKLET. THE BOARD OF TRUSTEES HAS BROAD DISCRETION TO DETERMINE ELIGIBILITY AND OTHERWISE INTERPRET THE ANNUITY PLAN. THE TRUSTEES' DECISION WILL BE GIVEN JUDICIAL DEFERENCE TO THE EXTENT THAT THEY DO NOT CONSTITUTE AN ABUSE OF DISCRETION.**

**NO EMPLOYER OR UNION, NOR ANY REPRESENTATIVE OF ANY EMPLOYER OR UNION, IS AUTHORIZED TO INTERPRET THE ANNUITY PLAN – NOR CAN SUCH PERSON ACT AS AN AGENT OF THE BOARD OF TRUSTEES. ANY QUESTIONS YOU HAVE CAN BE DIRECTED TO THE STAFF AT THE PLAN OFFICE.**

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## TYPE OF PLAN

### 1. What type of Plan is the Annuity Plan?

The Annuity Plan is a defined contribution plan individual account retirement plan, qualified under Section 401(a) and 401(k) of the Internal Revenue Code. The benefits payable to Participants are based on the account balance in their individual accounts. While its primary purpose is to provide Participants with a source of income at retirement, it also provides benefits in the event of disability or death and under certain circumstances permits loans and hardship withdrawals.

## PARTICIPATION

### 2. How do I know if I am eligible to become a Participant in the Annuity Plan?

You are eligible to participate if your employer is subject to a collective bargaining agreement or non-bargaining participation agreement that permits wage reduction contributions to the Annuity Plan or provides for employer contributions to the Annuity Plan.

You are also eligible to participate if you are working under another IBEW's collective bargaining agreement outside of the jurisdiction of IBEW Local 569 and have elected to remit your pension contributions to the San Diego Electrical Pension Trust via reciprocity if the contributions received are in excess of the hourly Journeymen Wiremen's contribution rate under the IBEW Local 569 Inside Agreement. The excess contributions are automatically contributed to the Annuity Plan.

Certain employees who work in non-bargaining positions are also eligible to participate in the Annuity Plan in accordance with the terms of the Employer's Non-Bargaining Participation Agreement.

You can enroll at any time by sending an enrollment form to Coast Benefits, at 3444 Camino del Rio North, Suite 101, San Diego, California 92108.

### 3. When do I become a Participant in the Annuity Plan?

You become a Participant on the first day of employment or anytime thereafter as provided for in the collective bargaining agreement or Participation Agreement.

You can enroll at any time by contacting the Plan's administrative office and completing the enrollment form. Upon receipt of an enrollment form, the administrative office will advise your employer to begin wage deferrals to the Plan.

Upon deposit of contributions into your individual account, you will receive a welcome package from John Hancock Retirement Plan Services explaining how to access your account on line and how to set up investment selections.

## INDIVIDUAL ACCOUNTS AND ACCOUNT BALANCES

### 4. **What is an individual account?**

Your individual account is an account established in your name to receive your elective deferrals, transfers of contributions in excess of the hourly Journeymen Wiremen's contribution rate under the IBEW Local 569 Inside Agreement and any contributions made by contributing Employers on your behalf. Your account balance describes how much money you would receive from the Plan if you were entitled to a payout at a given time. All account balances are 100% vested.

### 5. **How often is the account balance in my individual account valued?**

Individual accounts are valued daily when the financial markets are open (referred to as "Valuation Dates"). You can see the value of your account online by going to [www.mylife.jhrps.com](http://www.mylife.jhrps.com) and logging in. When you visit this website for the first time, you will need to register. You can also call John Hancock Retirement Plan Services at (800) 294-3575 for assistance accessing your account online. You can reach the Plan Office at (800)886-7559. In addition to the online information, you will also receive personalized account statements quarterly, mailed to your home address. It is important that you keep your current address on file with the Plan Office up to date.

### 6. **Are there any fees charged to by individual account?**

Yes, your account is charged a monthly administrative fee of \$14.17. This fee covers the services of the Plan Administrator and providers for administrative services rendered during the year, such as recordkeeping, legal, audit and investment advisory services.

### 7. **What determines the account balance in my individual account on a Valuation Date?**

On each Valuation Date, the account balance in your individual account takes into account any contributions or distributions credited to the individual account, investment gains and losses, investment earnings and any administrative expenses payable from the individual account.

### 8. **Am I allowed to make elective contributions to my individual account – either on a pre-tax or post-tax basis?**

Yes, you may make both pre-tax and post-tax contributions into your individual account. For those who choose a traditional 401(k), contributions are made on a pre-tax basis, and you'll pay taxes when you withdraw these funds. Roth 401(k) contributions are made with after-tax dollars, so you won't have to pay taxes on this money

### 9. **Can I roll over money from another retirement plan into my individual account?**

Yes. You can transfer money into your individual account from another qualified retirement plan. Please contact the Plan Office at (800)886-7559 or John Hancock Retirement Plan Services at (800) 294-3575 for assistance in transferring money into your individual account from another qualified retirement plan.



**10. Am I allowed to direct the investment of my individual account ?**

Yes. You are able to direct the investment of your account among the investment funds available to Plan Participants by visiting [www.mylife.jhrps.com](http://www.mylife.jhrps.com) and logging in. Information concerning any or all of the investment funds available to Participants may be obtained by contacting the John Hancock Retirement Plan Services. If you do not direct the investment of your individual account, 100% of your individual account, plus any future contributions, will be invested in the Annuity Plan's qualified default investment vehicle.

**11. Will I receive periodic statements providing me with information concerning my individual account?**

Yes. You will receive a statement showing your account balance following the close of each Plan quarter (March 31, June 30, September 30 and December 31).

**12. What if my statement does not correctly show the contributions that should have been made to my individual account?**

It is very important that you carefully check any statement that you receive from the John Hancock. You should keep complete records of your employment, including check stubs, with which to check against your statements for any errors or omissions. If you believe there is an error, you should contact the Plan Office as soon as possible. The sooner that you do this, the easier it will be to correct any errors. If you delay too long, your personal records or other records may no longer exist to support your contention that your statement is incorrect.

**VESTING**

**13. Do I need to have a minimum number of Hours of Service before I have a future right to my account balance?**

No. All account balances are immediately 100% vested. Once you are vested, you have a nonforfeitable right to your account balance.

**14. If I am vested, can I lose my account balance?**

Since the amount that makes up your account balance is partly determined by investments and the investment markets are unpredictable, there is no guarantee that your account balance will not suffer any investment losses. Administrative expenses are also charged to your account.

## PAYMENT OF BENEFITS

### 15. When can I receive my account balance?

In order to be entitled to receive a distribution of your account balance, you must satisfy one of the following conditions:

- a. You have retired from work in the electrical industry and have attained the early retirement age of 55.
- b. You attain age 59½. You do not need to terminate covered employment to receive a distribution of benefits at age 59½.
- c. You attain normal retirement age of 65. You do not need to terminate covered employment to receive a distribution of benefits at age 65.
- d. You terminate employment for any reason (including disability, layoff, etc.) with any employer maintaining this Plan prior to age 55. Your contributions and investment earnings are available for distribution following termination of employment *and* receipt of an application for benefits, but may be subject to taxes and early withdrawal penalties unless rolled over to an IRA, Roth IRA or qualified plan or
- e. You are disabled as determined by the Social Security Administration or the California Department of Industrial Relations.

### 16. May I postpone receiving my account balance?

Yes. You may elect in writing to defer the distribution of your account balance beyond the dates described in Question 15 above, however, under no circumstances may you defer commencement of your benefit beyond your Required Beginning Date.

### 17. What is my Required Beginning Date?

Your “Required Beginning Date” depends on whether or not you are a “5-percent owner.”

- If you are a 5-percent owner, your Required Beginning Date is the April 1 of the calendar year following the calendar year in which you attain age 70 ½.
- If you are not a 5-percent owner, your Required Beginning Date is the April 1 of the calendar year following the later of (1) the calendar year in which you attain age 70 ½ or (2) the calendar year in which you retire.

### 18. Why must I commence receiving a distribution of my account balance by my Required Beginning Date?

In addition to being an Annuity Plan provision, Internal Revenue Code § 401(a)(9) requires that a required minimum distribution be made from the account balance of each Participant no later than his

Required Beginning Date. Internal Revenue Code § 4974(a) imposes a 50% penalty tax on any required minimum distributions that are not timely distributed by the Annuity Plan. This is in addition to any other taxes that you may otherwise owe.

**19. Will the Annuity Plan contact me in time so that I will receive a distribution of my account balance by my Required Beginning Date and avoid any tax penalties?**

It is your responsibility to contact the Annuity Plan and complete an application to receive a timely distribution of any required minimum distribution amount prior to your Required Beginning Date and any subsequent required minimum distribution due dates. The Annuity Plan attempts to contact and get this information out to its Participants approaching age 70 ½. However, this is not always possible if the Annuity Plan does not have a current address for a Participant. Therefore, it is important to keep the Annuity Plan informed of any changes in your address and respond promptly to any communications from the Annuity Plan.

**20. How will my account balance be paid out?**

The Annuity Plan has two forms of payment:

- **Lump Sum** – Your entire account balance is distributed to you at one time. Thereafter, no further benefits are due from the Plan.
- **Partial Lump Sum** – You may elect to have a portion of your account balance distributed to you.

Distributions will be charged a \$50 distribution fee. This fee will be waived for distributions related to Retirement, RMD, and Death & Disability distributions.

**LOANS AND HARDSHIP WITHDRAWALS**

**21. Can I obtain a loan from my individual account?**

Yes, the Annuity Plan permits a Participant to borrow money from his individual account. Loans can be taken from the plan for any reason. The minimum loan amount is \$1,000.00 and the maximum loan amount is the lesser of ½ of the balance of your account as of the last valuation date or \$50,000.00 minus the highest outstanding loan balance in the past 12 months. Loans will bear interest rate of prime rate plus 1% (determined and fixed at the time the loan is taken).

Repayment must be made monthly over a period of not more than 5 years, unless the loan is being used for the purchase of a home. Any payments above the minimum required by the repayment agreement shall be applied to reduce the principle amount outstanding.

If you are married, your application for a loan requires the written consent of your spouse.

Termination of the Participant's employment shall not affect the participant's repayment requirements, however loans must be repaid upon retirement or upon a request for a withdrawal.

Only one loan may be outstanding for each participant at any time. Failure to repay a loan will be considered a distribution and result in a taxable consequence to the Participant, as well as a 10% penalty tax. You will receive an IRS Form 1099 for the outstanding amount due under the loan in the year in which the distribution occurred. The penalty tax does not apply if you are retired under the Plan.

The fee for a loan is \$75.00 initial set up fee and \$2 monthly maintenance fee.

**22. Even if I am not eligible for a distribution of my account balance, can I obtain money from my account balance based on personal financial hardship?**

Yes. The Annuity Plan's "hardship withdrawal" provisions permit you to withdraw some of your account balance. If you are married, your application for a hardship withdrawal requires the written consent of your spouse.

**23. What does the Annuity Plan consider to be "hardship"?**

The Annuity Plan permits the withdrawal of up to 50% of voluntary deferral contributions (including earnings on the deferrals) and/or vested employer contributions made to an individual account upon satisfactory completion of an application for a hardship distribution for the following reasons:

- a. Medical expenses not covered by insurance or to pay medical premiums for the medical care of the Participant or his/her dependents;
- b. Payment of tuition and related post-secondary education expenses for the next 12 months for the Participant or his/her dependents;
- c. Prevention of eviction or foreclosure on a primary residence;
- d. The purchase of a home (primary residence) for the Participant;
- e. Funeral expenses for the Participant's dependents or parents; or
- f. Expenses incurred for the repair of damage to the Participant's principal residence if the damage was due to a federally declared disaster and the repairs would qualify as a deductible casualty expense.

A distribution made on account of hardship will be taxable to the Participant and subject to the 10% penalty tax if you have not retired under the Annuity Plan.

Hardship withdrawals may not be rolled over into an IRA or other qualified retirement plan.

Upon receipt of your application for a hardship distribution, the Board of Trustees, or its designated representative, will determine whether a serious financial hardship exists based on the facts and circumstances of your case. An application will not be rejected solely because your financial situation was reasonably foreseeable or the result of a voluntary action on your part. A hardship distribution will only be permitted based on the need for funds related to the permitted reasons stated above.

**24. What other conditions must be satisfied in order for me to obtain a hardship distribution?**

The hardship distribution amount must not be in excess of the amount of your immediate and heavy financial need, plus any amount necessary to pay income taxes or penalties reasonably anticipated to result from the hardship distribution.

In addition, the Board will rely on your representation that your financial hardship cannot be addressed by other resources that include:

- The assets of your spouse and minor children that are reasonably available to you.
- Reimbursement of expenses or compensation for expenses by insurance or otherwise.
- Reasonable liquidation of your assets to the extent that such liquidation would itself not cause an immediate and heavy financial need.
- Any distributions, other than hardship distributions, and all nontaxable loans currently available under all qualified retirement plans maintained by your employer.
- Any distribution distributions or loans from any other qualified retirement plan or loans from commercial sources on reasonable commercial terms.

There is not a transaction fee for processing a Hardship distribution.

**25. If approved, how will the hardship distribution be paid to me?**

Your hardship distribution will only be paid to you in a lump sum. Hardship distributions are not eligible for rollover to an Individual Retirement Account (IRA) or another qualified retirement plan. If you have not attained age 59 ½, you will have to pay a tax penalty of 10% on the amount of your distribution, in addition to a 20% federal tax withholding.

**TAXES**

**Important:** This section includes a very general discussion concerning taxes. It is not intended to represent nor can it be relied upon as professional tax advice. Should you have any questions related to tax related issues, you should retain the services of a personal financial or tax professional. The Annuity Plan accepts no responsibility for your personal financial planning or tax liabilities associated with your Plan benefits.

**26. Do I have to pay taxes on my account balance?**

Employee deferrals, Employer contributions and investment earnings credited to you are not considered taxable income until you receive the money. When you are paid money from your account balance, the money will be reported by the Annuity Plan to the appropriate federal and state tax agencies. For those who choose a traditional 401(k), contributions are made on a pre-tax basis, and you'll pay taxes when you withdraw these funds. Roth 401(k) contributions are made with after-tax dollars, so you won't have to pay taxes on this money

**27. Can I continue to defer taxes on my account balance after it is distributed by the Plan?**

Yes. You are not treated as having received money from your account balance if the form of distribution qualifies as an “eligible rollover” distribution and you directly rollover a distribution of your account balance into an individual retirement account (IRA) or other Eligible Retirement Plan, as defined by the Internal Revenue Code. You may rollover some or all of any Eligible Rollover Distribution and taxes will be deferred on the rolled over portion. You will receive information as to your rollover options when you apply for payment of your account balance.

**28. What is an “Eligible Rollover Distribution”?**

The Internal Revenue Code states that the following forms of distribution do not qualify as Eligible Rollover Distributions:

- Any of a series of substantially equal periodic payments paid at least once a year over:
  - Your lifetime or life expectancy,
  - The joint lives or life expectancies of you and your Designated Beneficiary, or
  - A period of 10 years or more,
- Required minimum distributions,
- Hardship distributions,
- Corrective distributions of excess contributions or excess deferrals, and any income allocable to the excess, or of excess Annual Additions and any allocable gains, or
- A loan treated as a distribution because it does not satisfy certain requirements either when made or later (such as upon default), unless the Participant’s accrued benefits are reduced (offset) to repay the loan

**29. Will monies be withheld from the distribution of my account balance?**

Distributions that qualify as “Eligible Rollover Distributions” may be directly rolled over to an IRA or other tax-exempt retirement plan. Any portion of any Eligible Rollover Distribution that is not rolled over in this manner is subject to an automatic 20% withholding before it is paid out to you. Note that if you defer payment of your account balance to your Required Beginning Date, any portion of your account balance that the Internal Revenue Service regards as a required minimum distribution under Internal Revenue Code § 401(a)(9) is not an eligible rollover distribution, making it neither subject to the 20% withholding nor eligible to be rolled over into another plan.

Note that this is a tax withholding rule and not a separate tax. Any withheld amounts are applied to your tax liability for year in which the distribution is made. You will be given complete information when you apply for benefits and the opportunity to elect or reject rollover treatment if your benefit is subject to the 20% mandatory withholding.

**30. What are the types of Eligible Retirement Plans that can accept Eligible Rollover Distributions?**

Different types of plans are available to accept rollovers depending on whether you are the Plan Participant, the surviving spouse, surviving non-spouse beneficiary or alternate payee under the terms of a Qualified Domestic Relations Order (QDRO). In addition, the eligible rollover retirement plan chosen by you must agree to accept the rollover payment. While a plan may be permitted to accept rollovers, it is not required to do so.

**31. Are there early distribution tax penalties?**

If you are younger than age 59 ½ and do not roll over the distribution from your account balance or receive the distribution in the form of an annuity, the amount distributed may be subject to an additional 10% tax. (Note – This is different from the 20% withholding requirement which is not, itself, a tax.).

**32. Can the Plan Office assist me with some of the tax issues discussed above, including determining my tax liabilities, whether or not to rollover my account balance or how much to withhold?**

No. The Plan Office cannot provide individual tax advice. The laws and rules pertaining to personal income taxes can be very complicated and each individual person's situation is different. It is your responsibility to satisfy your tax obligations with respect to any withdrawn monies. However, the Plan Office will provide you with certain required documents pertaining to taxes, explanation of eligible rollover distributions and will report amounts distributed with an assigned distribution code to the appropriate governmental agencies.

When you terminate your account, you could be dealing with substantial amounts of money. It may be to your advantage to discuss your options with a competent tax advisor – whether payment of your account should be paid to you in a lump sum *or* rolled over to an individual retirement account (IRA) or other tax-exempt retirement plan designated by you. The Plan Office does not and cannot provide advice on this or other tax-related matters.

**DEATH AND DESIGNATION OF A BENEFICIARY**

**33. Who will receive my account balance if I am unmarried and die prior to retirement?**

If you are unmarried and die prior to receiving a distribution of your account balance, your account balance will be distributed to your designated Beneficiary in a lump sum

**34. Who will receive my account balance if I am married and die prior to retirement?**

If you are married and die prior to receiving a distribution of your account, your surviving spouse will receive 100% of your account balance, unless you have designated a primary beneficiary other than your spouse and have obtained spousal consent on the beneficiary designation..

**35. How do I designate a beneficiary to receive all or a portion (as described above) of my account balance upon my death?**

You must designate a beneficiary using a form provided by the Annuity Plan. You may change your designated Beneficiary at any time by completing a new beneficiary form provided by the Plan Office. In order to be valid, any beneficiary designation must be received by the Plan Office prior to your death.

If there is no designated Beneficiary, payment will be made to individuals in the following order of priority:

- your surviving Spouse; or if none,
- your surviving children in equal shares; or if none,
- your surviving grandchildren; or if none,
- your surviving parents' or if none,
- your surviving brothers and sisters; or if none,
- your surviving grandparents.

If there are no next of kin as described above living at the time of the Participant's death, and the Participant has not designated a beneficiary, the Participant's accrued benefit shall revert to the Annuity Plan and shall be treated as Annuity Plan earnings in the plan year of reversion.

**ASSIGNMENT OF BENEFITS AND QUALIFIED  
DOMESTIC RELATIONS ORDERS (QDRO)**

**36. May I assign my benefits to another party?**

Neither you nor your Spouse or designated Beneficiary can pledge or assign any of the benefits payable by the Annuity Plan. However, your benefits are subject to the provisions of the Internal Revenue Code for the garnishment of account balances for income tax purposes and to assignment under a Qualified Domestic Relations Order (QDRO) filed with the courts pursuant to state domestic relations law.

**37. What if I become divorced?**

If you become divorced, your account balance may be divided as part of your marital settlement under the terms of a Qualified Domestic Relations Order (QDRO). Separation from your spouse – even legal separation – is not sufficient to permit the Annuity Plan to divide and segregate the community property portion of your benefit.

A QDRO is a judgment, decree or order pursuant to state law relating to child support, alimony, or



marital property rights directing that all or part of your benefit be paid to an “alternate payee.” In order for it to be “qualified,” it must be delivered to the Annuity Plan before payments can be made to an alternate payee, and the Annuity Plan must approve its form. It must clearly specify:

- your name and last known mailing addresses and the same for each Alternate Payee covered by the order;
- the name of the Plan;
- the amount or formula for determining the amount payable to each alternate payee;
- the number of payments or period to which the order applies; and

The judgment, decree or order cannot require the Annuity Plan to:

- provide you or the alternate payee with any type or form of benefit or any option, not otherwise provided under the Plan;
- provide an increased benefit determined on the basis of actuarial equivalence;
- pay benefits to any alternate payee that are required to be paid to another alternate payee under another order previously determined to be a QDRO; and
- require the Plan to pay benefits to an alternate payee in the form of a qualified joint and survivor annuity for the lives of the alternate payee and his or her subsequent spouse.

You must provide the Annuity Plan with a copy of a Domestic Relations Order (“DRO”) which will be reviewed to determine whether its terms comply with the laws permitting the assignment of benefits under a QDRO. The Annuity Plan will then notify you as to whether the DRO is “qualified.” The Annuity Plan will charge \$400 to the Participant’s individual account (to be divided equally between the Participant and alternate payee) to review each QDRO.

You may obtain a copy of the Annuity Plan’s QDRO procedures free of charge by contacting the Plan Office.

**38. In the event of divorce, what rights does my former Spouse retain in connection with the Retirement Plan?**

Your former spouse’s rights are those detailed within the QDRO. The terms and conditions of the QDRO are subject to negotiation between you, your spouse, your legal representatives and the courts. Payment to an alternate payee is not automatic, but requires that the alternate payee file an application form in accordance with the application procedures established by the Board of Trustees.

**APPLICATION AND CLAIMS AND APPEALS PROCEDURES**

### **39. What is the application procedure for receiving my account balance?**

Withdrawal of your account balance is not automatic upon becoming eligible for a distribution. Rather, you must file an application approved by the Board of Trustees for the withdrawal of your account balance. If you are married, your spouse's written consent will be required as part of the application.

When you notify the Plan Office that you intend to withdraw your account balance, you will be sent a packet containing an application, instructions for completing the application and other documents. Please fill out the forms completely. You will also be asked to provide copies of certain documents, such as your birth certificate, a marriage certificate (if you are married), tax records and court documents that may include a QDRO (if you are divorced).

Your application will not be considered complete until the Plan Office receives all the information required by the application. However, it will be considered filed when your application is received by the Plan Office, without regard to whether all information necessary to make a benefit determination accompanies your application. If not all of the required information accompanies your application, the Plan Office will notify you, in writing, of:

- the standards on which entitlement to benefits is based;
- the unresolved issues that prevent a decision on the claim; and/or
- the additional information needed to resolve those issues.

The Plan Office will then review its records to determine if you are eligible to receive your account balance. If you qualify, and once a distribution is scheduled, the amount you will receive from your individual account will be determined.

The Annuity Plan will charge a distribution fee of \$50 per distribution. The fee is waived for distributions due to retirement, required minimum distribution, death and disability distribution.

### **40. What are the Annuity Plans Claims and Appeals Procedures?**

1. Notification of Denial of Non-Disability Claim. If an application for benefits submitted by you or any beneficiary is denied, in whole or in part, notice will be sent to you within 90 days after the receipt of the application by the Plan Office, unless special circumstances require an extension of time for the processing of that application.

a. If an extension of time to process the application is required, written notice will be given to you prior to the termination of the initial 90 day period. The notice shall specify the special circumstances requiring the extension of time, any additional information which might assist in evaluating the application, and the date by which the Plan expects to render its decision. The period for extension of time shall not exceed an additional 90 days.

b. If notice of denial is not given, and/or no extension notice is sent, you may deem the application denied for the purpose of allowing you to request a review.

2. Notification of Denial of Disability Claim. If a claim involving Disability retirement benefits is denied in part, the Plan shall notify you within forty-five days after receipt of the application. The forty-five (45) day period may be extended for thirty (30) days if the Plan determines that such an

extension is necessary due to matters beyond the control of the Plan and the Plan notifies you, prior to the expiration of the initial forty-five (45) day period, of the circumstances requiring the extension of time and the date by which the Plan expects to render a decision. If, prior to the end of the first thirty (30) day extension period the Plan determines that, due to matters beyond the control of the Plan, a decision cannot be rendered within the extension period. The period for making the determination may be extended for up to an additional thirty (30) days, provided that the Plan notifies you, prior to the to the expiration of the first thirty (30) day extension period, of the circumstances requiring the extension and the date which the Plan expects to render a decision. In the case of any extension under this paragraph, the notice of the extension will specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve those issues, and you will be given at least forty-five (45) days within which to provide the specified information. If notice of denial is not given, and/or no extension notice is sent, you may deem the application denied for the purpose of allowing you to request a review.

3. Content of Notification. If the claim is denied in whole or in part, the Plan shall provide to you a written notice containing the following information:

- a. The reason or reasons for the denial of the application;
- b. Reference to the particular provisions of the Plan Document upon which the denial is based;
- c. A description of any additional information necessary to perfect the application and an explanation of why such information is necessary;
- d. A description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on review; and
- e. In the case of a Disability retirement benefit claim, if an internal rule, guideline, protocol or similar criterion was relied upon in making the adverse determination, a statement that such rule, guideline, protocol or similar criterion was relied upon in making the adverse determination and that a copy of such rule, guideline, protocol or other criterion will be provided free of charge to you upon request.

4. Benefit Review. The Trustees have the responsibility to provide you with a full and fair review of the denial of all claims. The Plan will not require payment of a fee or costs as a condition to the Participant making a claim or appeal.

a. You must notify the Plan in writing of your request for review within 60 days (180 days for disability retirement claims) of the denial of the application; provided, that should you be physically unable to give such notice, you shall have a reasonable extension of time to complete such notice.

b. The Plan will arrange for a hearing before the Trustees within 60 days of the receipt of your request for review. The review of an adverse benefit determination upon appeal will take into account all comments, documents, records, and other information submitted by the claimant, regardless of whether the information was submitted or considered in the initial benefit determination. The determination of the Trustees shall be limited to affirming or revoking the decision of the Benefit Review Committee.

c. You shall be notified in writing at least 14 days prior to the hearing of the date, time and place of

such hearing. In addition, you or your representative shall be entitled upon submission of a written request to:

(1) Review all pertinent documents used or relied upon by the Plan in denying the application;

(2) Review all pertinent Trust documents; and

(3) Submit in writing, any issues, comments, or other evidence, at least 7 days prior to the date of the review hearing, relied upon by you to justify the application and overcome the determination made by the Plan.

d. If the Trustees desire additional comment or evidence on the issue of the validity of the application, they may request the same from you; provided, no continuance of the review hearing shall be allowed without your express consent.

f. You shall be notified of the determination of the Trustees on review within a reasonable period of time, but not later than 60 days after receipt of your request for review by the Plan, unless the Administrative Manager determines that special circumstances (such as the need to hold a hearing) require an extension of time for processing your request for review. If the Administrative Manager determines that an extension of time for processing is required, written notice of the extension shall be furnished to you prior to the termination of the initial 60-day period. In no event shall such extension exceed a period of 60 days from the end of the initial period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the determination on review.

If the determination on review is adverse to your claim, the denial notice shall state:

(1) The specific reason or reasons for the adverse determination;

(2) Reference to the specific plan provisions on which the benefit determination is based;

(3) A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits;

(4) A statement describing any voluntary appeal procedures offered by the plan and the claimant's right to obtain the information about such procedures.

5. Arbitration. The determination of the Trustees shall be final and binding upon all parties unless overturned by judicial proceedings. If you, your spouse or beneficiary disagree with the decision of the Trustees, you have the right to appeal the matter to arbitration pursuant to the Employee Benefit Claim Rules of the American Arbitration Association. A request to proceed to arbitration must be in writing and submitted to the Trustees within 60 days after receipt of the Trustees' decision. Arbitration is permitted as the second level of appeal only after exhaustion of the required appeal to the Board of Trustees. The Plan will provide to any claimant upon request sufficient information relating to arbitration to enable the claimant to make an informed decision about whether to submit to arbitration. No fees or costs are imposed on the claimant as part of arbitration with the exception of the claimant's attorney's fees, if any, which shall be borne by the claimant. The questions for the arbitrator shall be: (1) whether the Trustees were in error on an issue of law; (2) whether the Trustees acted arbitrarily or capriciously in the exercise of their discretion; and (3) whether the Trustees' findings of fact were supported by substantial evidence. The decision of the arbitrator shall be final

and binding upon all parties to the arbitration whose interests are affected thereby, unless:

- (a) a petition for judicial review is commenced within the statutory period for enforcing or vacating an arbitration award; or
- (b) a civil action is filed under ERISA section 502(a).

## AVAILABILITY OF PLAN DOCUMENTS

### 41. Are Plan Documents available to Participants and Beneficiaries?

Yes. Copies of the Trust Agreement, Plan document and amendments, collective bargaining agreements and a full annual report (Form 5500) are available for inspection at the Plan Office during regular business hours and upon written request will be furnished by mail upon payment of reasonable charges. You should therefore find out what that charge will be before writing and asking for copies of these documents.

A copy of the summary of the Plan's annual report (Summary Annual Report) will be sent to the Plan participants once a year without charge.)

## INFORMATION REQUIRED BY THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (ERISA)

### 1. Name of the Plan

San Diego Electrical Annuity Plan

### 2. Type of Plan

The Annuity Plan is a defined contribution individual account retirement plan, qualified under Section 401(a) and 401(k) of the Internal Revenue Code.

### 3. Plan's Employer Identification Number and Plan Number

The Employer Identification Number (EIN) issued to the Board of Trustees by the Internal Revenue Service is 33-6162626 . The Plan number is 001.

### 4. Fiscal Year End Date

The Financial records of the Plan and participant accounts are kept on the basis of the calendar year beginning January 1 and ending December 31. Statements are provided to all Participants with accounts following the end of each calendar quarter.

**5. Type of Administration**

The Plan is administered and maintained by the Board of Trustees.

The Board of Trustees is the Plan Administrator. This means that the Board of Trustees is responsible for seeing that information regarding the Plan is reported to government agencies and disclosed to Plan Participants and beneficiaries in accordance with the Employee Retirement Income Security Act of 1974 (ERISA).

The Board of Trustees employs Coast Benefits, Inc. to provide day-to-day administration services to the Plan.

The Plan Office is located at the following address:

Board of Trustees  
SAN DIEGO ELECTRICAL ANNUITY PLAN  
c/o Coast Benefits  
3444 Camino Del Rio North #101, San Diego, CA 92108  
Tel: (800) 886-7559 ;(619) 280-2009  
Fax:(619) 501-3250

**6. Names, titles, and addresses of members of the Board of Trustees**

**Employee Trustees**

John Sherrell  
IBEW Local 569  
4545 Viewridge Ave, #100  
San Diego, CA 92123

Kevin Alvin  
IBEW Local 569  
  
4545 Viewridge Ave, #100  
San Diego, CA 92123

William Stedham  
IBEW Local 569  
4545 Viewridge Ave, #100  
San Diego, CA 92123

Lynn Minor  
IBEW Local 569  
4545 Viewridge Ave, #100  
San Diego, CA 92123

Joseph Page  
IBEW Local 569  
4545 Viewridge Ave, #100  
San Diego, CA 92123

**Employer Trustees**

Andrew Berg  
NECA  
9350 Waxie Way, #540  
San Diego, CA 92123

Tim Dudek  
NECA  
9350 Waxie Way, #540  
San Diego, CA 92123

Craig Early  
NECA  
9350 Waxie Way, #540  
San Diego, CA 92123

Clint Morgan  
NECA  
9350 Waxie Way, #540  
San Diego, CA 92123

**7. Designated agent for service of legal process is:**

Board of Trustees  
SAN DIEGO ELECTRICAL ANNUITY PLAN  
c/o Coast Benefits  
3444 Camino Del Rio North #101, San Diego, CA 92108  
Tel: (800) 886-7559 ;(619) 280-2009

Fax:(619) 501-3250

Service of process may also be made on the Board of Trustees at the address shown above or on any Trustee.

**8. Source of contributions to the Plan and the availability of collective bargaining agreements**

The Annuity Plan's sources of contributions are from employee elective deferrals, employer contributions and contributions from participants working under another IBEW's collective bargaining agreement outside of the jurisdiction of IBEW Local 569 who have elected to remit their

pension contributions to the San Diego Electrical Pension Trust via reciprocity and the contributions received are in excess of the hourly Journeymen Wiremen's contribution rate under the IBEW Local 569 Inside Agreement. The Annuity Plan is maintained pursuant to various collective bargaining agreements. The Plan Office will provide any Plan Participant or designated Beneficiary, upon written request, information as to whether a particular Employer is contributing to this Trust on behalf of Participants working under the collective bargaining agreement and, if so, that Employer's address.

Copies of the collective bargaining agreements may be obtained upon written request and are available for inspection at the Plan Office during regular business hours from 8:30 a.m. to 5:00 p.m.

Benefits are provided directly from the Trust's assets.

## 9. **Claims Procedure**

The procedure for filing a claim is set forth in Question #40\_ of this SPD. You can request a copy of the full claims and appeals procedures from the Plan Office.

## 10. **Amendment and Termination**

The Board may amend, modify or terminate the Annuity Plan. No amendment or modification may reduce any benefits, which have been approved for payment prior to such amendment, so long as sufficient funds are available to provide such benefits.

Upon termination, the assets remaining, after providing for Plan expenses and for the payment of any account balances already approved, shall be distributed among Participants. In no event, will the termination of the Plan or Trust result in any reversion of any assets to any contributing Employer.

## **STATEMENT OF ERISA RIGHTS**

As a Participant in the San Diego Electrical Annuity Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan Participants shall be entitled to:

### **Receive Information About Your Plan and Benefits**

Examine, without charge, at the Plan Office and at other specified locations, such as worksites and Union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration (EBSA).

Obtain, upon written request to the Plan Office, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 series) and updated summary plan description. The Plan Office may make a reasonable charge for the copies.

Receive a summary of the Plan's annual financial report. The Plan Office is required by law to furnish each Participant with a copy of this summary annual report.



Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (generally 62) and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide the statement free of charge.

### **Prudent Actions by Plan Fiduciaries**

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit Plan. The people who operate your Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and Beneficiaries. No one, including your employer, your Union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

### **Enforce Your Rights**

If your claim for an annuity benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such case, the court may require the Plan to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator.

If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan’s decision or lack thereof concerning the qualified status of a Domestic Relations Order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the plan’s money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees if, for example, it finds your claim is frivolous.

If you have any questions about your Plan, you should contact the Plan Office. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest office of the Employee Benefits Security Administration (EBSA), U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210, or visit the EBSA website at [www.dol.gov/ebsa/](http://www.dol.gov/ebsa/). You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the EBSA.

This explanation of the Annuity Plan is no more than a brief and very general statement of the most important provisions of the Annuity Plan. No general statement such as this can adequately reflect all of the details of the Annuity Plan. Nothing in this statement is meant to interpret or extend or change in any way the provisions expressed in the Annuity Plan itself. The rights of an employee can only be determined by consulting the actual text of the Plan Document of the Annuity Plan.

**Only the full Board of Trustees is authorized to interpret the Annuity Plan or benefits described in this booklet. No Employer, nor any representative of any Employer or Union, is authorized to interpret the Annuity Plan on behalf of the Board nor can such person act as an agent of the Board of Trustees.**