

**IMPORTANT NOTICE
TO ALL PARTICIPANTS, RETIREES
AND ALTERNATE PAYEES
REGARDING PLAN AMENDMENT**

The Pension Plan of the Michigan Electrical Employees' Pension Fund has, with the advice of the Fund's actuary and attorneys, been amended to reduce the rate of Future Service Benefit Credit accrual by treating the 2011 negotiated increase in the hourly Employer Contribution as a non-credited increase effective June 1, 2012 for all future hours worked. The Plan will **not** credit any portion of the 2011 increase in Employer Contributions, **but will continue to credit** the remaining portion of Credited Employer Contributions at the same rates in effect before June 1, 2011. See the example on the back of this Notice. A proportionate amount of reciprocated contributions for hours worked on and after June 1, 2012 will also be non-credited.

Your Future Service Benefit Credit, Years of Service and Vesting Years accrued for hours worked **before** June 1, 2012, will **not** be reduced or affected in any way by this Plan change.

The Trustees decided to reduce the rate of future benefit accruals after meeting with the Fund's professional advisors and reviewing the many factors, particularly the earnings on Fund investments and the decline of work in Michigan, which affect the level of benefits which can be promised and paid. The professionals retained by the Fund have advised the Trustees that reducing the current amount of credited contributions, which results in a reduction in the rate at which benefits are earned in the future, is needed to improve the financial health of the Plan after a continuing, unprecedented period of market declines. There is no quick fix for the funding problems caused by the downturn of work in Michigan or the turbulence in the financial markets over recent years, but we are committed to making sure that the Fund can pay all the benefits it has promised to you and your family and that it will grow in the future.

The Board of Trustees
Michigan Electrical Employees' Pension Fund

HOW YOUR BENEFITS ARE CALCULATED

The Plan has had various accrual rates over the past few years:

For Work Performed	Accrual Rate
Before January 1, 2002	3.6% of the total Employer contributions
January 1, 2002 – December 31, 2002	3.0% of the total Employer contributions
January 1, 2003 – December 31, 2005	2.0% of the total Employer contributions
January 1, 2006 – May 31, 2009	0.8% of the total Employer contributions
On and after June 1, 2009	0.8% of the total Credited Employer Contributions

Below is the portion of the Employer Contribution, negotiated by the Union and the Employer, which is excluded from the Credited Employer Contribution beginning June 1, 2009:

For Work Performed	Excluded Portion
June 1, 2009 - May 31, 2010	The 2009 increase in the hourly Employer Contribution
June 1, 2010 - May 31, 2012	The 2009 and 2010 increases in the hourly Employer Contribution
June 1, 2012 - May 31, 2013	The 2009, 2010, 2011 and 2012 increases in the hourly Employer Contribution

EXAMPLE: This example assumes you work the same number of hours each year, those hours are equally distributed between the periods before and after June 1 each Plan Year, the 2011 negotiated increase in the hourly Employer Contribution will be treated as a non-credited increase effective June 1, 2012 for all future hours worked and there are no future changes in the Credited Employer Contribution. During the 2011 Plan Year, \$5,370 in Credited Employer Contributions were contributed to the Fund on your behalf with \$234 of that amount attributable to the 2011 credited contribution increase that was effective June 1, 2011. The resulting increase in your monthly Straight Life Benefit amount payable at Normal Retirement Age would be \$42.96 ($\$5,370 \times 0.8\%$). During the 2012 Plan Year, you would again have \$5,370 in Credited Employer Contributions remitted on your behalf, with \$234 of that amount attributable to the 2011 credited contribution increase that was effective June 1, 2011 and contributed for work performed prior to June 1, 2012. The resulting increase in your monthly Straight Life Benefit amount payable at Normal Retirement Age would be an additional \$42.96. During the 2013 Plan Year, you would have only \$5,136 in Credited Employer Contributions contributed on your behalf. The resulting increase in your monthly Straight Life Benefit amount payable at Normal Retirement Age would be an additional \$41.09, or \$1.87 less than the previous year as a result of the benefit reduction.

Remember that if you are Inactive now and/or were Inactive once or more in the past, your benefit may be calculated at various Future Service Credit rates applicable under the Plan to different periods of participation. You should review the Summary Plan Description and your annual Benefit Estimate Statement and/or contact the Fund Office for information on how your benefit will be calculated.