

IUE-CWA 401(k) Retirement Savings and Security Plan Summary Plan Description

**Administered by the IUE-CWA Pension Fund
www.iuepension.org**

As Amended January 1, 2010

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The IUE-CWA 401(k) Retirement Security and Savings Plan is administered by the:

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AN OVERVIEW OF THE PLAN

The IUE-CWA 401(k) Retirement Savings and Security Plan (the “Plan”) is maintained and administered by the IUE-CWA Pension Fund (the “Fund”). Your employer has negotiated with the Union to include this Plan as part of your collective bargaining agreement.

How the Plan Works

As a participant in the Plan, you have an “individual account” in the Plan. Money is contributed to your account each pay period by you and/or your employer, and the account earns investment earnings.

Your account grows over the years as contributions and any investment earnings accumulate. Then, when you retire, become disabled, or terminate employment your account balance is paid out to you. If you die, the account will be paid to your designated beneficiary(ies).

Sources and Amount of Contributions

Specifics about where contributions to individual accounts will come from are negotiated separately for each Employer and Local Union OR are included in a Memorandum of Agreement (Participation Agreement) with the Trustees of the IUE-CWA Pension Fund.

Employer contribution amounts are subject to Collective Bargaining. Employer contributions can be negotiated to “match” all or a portion of what the employee puts into the Plan. Or, the employer contribution rate can be a flat amount that’s unrelated to the employee’s savings.

Employee contributions are voluntary, with each participant choosing his or her contribution rate.

Tax-Effective Employee Contributions

Employees who elect to make contributions to the Plan will contribute on a before-tax basis.

When you save through the Plan on a before-tax basis, you’re putting aside part of your gross income before taxes are taken out. In other words, less of your income is subject to income taxes, so

you pay lower taxes while you save. You then pay taxes when taxable distributions are made from your account.

ELIGIBILITY

If you are a covered employee of an employer who has agreed to participate in the Plan, you’re eligible to join the Plan upon the completion of your probation period.

A “covered employee” means an IUE-CWA member, a CWA member (or other affiliated union), or an employee in any other job category agreed to by the Union and the employer or permitted by the Plan. A “covered employee” also includes any employees of a Local Union that has a signed Memorandum of Agreement (Participation Agreement) with the Trustees of the IUE-CWA Pension Fund for participation in the Plan.

ENROLLMENT

To begin participating in the Plan, you must complete an Enrollment Form. This form is available from the Plan Office, your Local Union, your Human Resource/Payroll Department, or via the Plan’s website www.iuepension.org. On the Enrollment Form, you must:

- ◆ authorize payroll deductions for your own contributions (if applicable), and
- ◆ direct the Plan how to invest your account

For most participants, payroll savings deductions will begin as soon as possible after completion of an enrollment form authorizing voluntary contributions or as otherwise provided in the applicable collective bargaining agreement.

If your Employer makes contributions on your behalf, you are automatically enrolled in the Plan. However, you must direct the Plan on how to invest your savings, designate a beneficiary, and choose whether or not to contribute your own savings to the Plan. You must complete an Enrollment Form even if you choose not to contribute your own savings.

Your Beneficiary

You'll be asked to name a beneficiary to receive your account balance in the event of your death on the Designation of Beneficiary Form when you enroll in the Plan.

If you're married, you must name your spouse as your beneficiary, unless your spouse consents to another beneficiary in writing, on the Enrollment Form. This consent must be witnessed and signed (on the Designation of Beneficiary Form) by a Notary Public or a Plan Office employee.

If you're single, you can name anyone as your beneficiary and can change beneficiaries at any time. The form for changing the beneficiary is available from the Plan Office, your Local Union, your Human Resource/Payroll Department, or on the Plan website.

CONTRIBUTIONS TO YOUR ACCOUNT

Specifics about contribution sources for individual Plan accounts — employers, employees, or both — are negotiated separately for each bargaining unit. For information on Plan contributions under your collective bargaining agreement, refer to your collective bargaining agreement, contact your Local Union, your Human Resource/Payroll Department, or call the Plan Office.

In collective bargaining agreements that require employer contributions, the rate is subject to collective bargaining. This rate can be expressed as dollars per week or a percent of pay.

Employer contributions can also be set up to "match" (up to an amount allowable by IRS Regulation) all or a specified portion of the amount the Employee contributes to the Plan.

Employee contributions are voluntary. Each participant chooses his or her contribution amount either based upon a percentage of gross pay or a flat dollar amount per pay period.

Three Plan Versions

There are three versions of the Plan available during the collective bargaining process. The version of the Plan adopted by your employer is reflected in your collective bargaining agreement. The three versions are described as follows:

1. The employer makes no contributions. Employees' contributions are voluntary.

Example:

At Company E, an employee may elect to contribute to the Plan. If the employee elects to contribute \$50 dollars per week, the employee would have a yearly contribution of \$2,600 ($\$ 50 \times 52 = \$2,600$). Company E would not make any contributions.

2. The employer makes contributions as negotiated in a collective bargaining agreement, and employees can voluntarily supplement these contributions.

Example:

Company D agrees to contribute \$25 dollars per week for each employee. An employee who works all year would receive \$1,300 ($\25×52 weeks), whether or not he or she contributes to the Plan. To supplement the \$1,300 employer contribution, the employee elects to contribute \$50 per week (for example), or \$2,600 per year for a yearly contribution of \$3,900.

3. The employer matches a portion or all employee contributions. Employee participation is voluntary.

Example:

Employees of Company B are allowed to contribute to the Plan if they wish. Company B matches employees' contributions on a dollar-for-dollar basis up to a maximum of \$25 per week. If an employee elects to contribute \$25 per week, the employer will contribute \$25 per week. If the employee contributes nothing, Company B will contribute nothing on the employee's behalf.

Rollovers

In addition to the regular contributions, the Plan also accepts rollovers. Account balances from other 401(k) plans, qualified IRAs (this does not include ROTH IRAs), 403b plans, 457, and other tax qualified plans as may be permitted by regulation all can be rolled into the IUE-CWA 401(k) Plan by Plan participants.

The “rolled” balances become part of the overall account balance and are subject to the same provisions in the Plan as regular contributions (including withdrawal provisions). Rollover Forms maybe obtained from the Plan Office or on the Plan’s web site.

Federal Pre-Tax Savings

Saving on a pre-tax basis means that your savings are deducted from your gross income before federal income tax is taken out. In other words, less of your income is subject to federal income tax, so you pay less tax while you save. You don’t pay federal income tax on before-tax savings until money is paid out to you from your Plan account.

Here’s an example of how saving on a before-tax basis would help you save on tax:

<i>\$600</i>	<i>Your weekly income</i>
<i>-\$36</i>	<i>Your weekly 401(k) contribution</i>
<i>\$564</i>	<i>Your taxable income</i>
<i>You pay tax on \$564 -- which will be lower than the tax you would pay on \$600 -- while you save \$36 per week through the Plan.</i>	

Deferring State and Local Income Tax

Most states and municipalities permit employees to defer state income tax on before-tax contributions to plans like the IUE-CWA 401(k) Retirement Savings and Security Plan. Some states and municipalities do not allow such deferral, however. To determine the policy of your state and municipality, you should contact your state or local tax agency or your tax advisor.

Social Security Taxes

Social Security tax will be withheld from any before-tax savings. This means your Social Security retirement benefits will not be affected by saving on a before-tax basis.

Other Salary Based Benefits

Since before-tax savings reduce your W-2 (taxable) earnings, these contributions may also reduce any other benefits you have that are based on W-2 earnings. Please contact your Human Resource/Payroll Department or your Local Union for more information.

Compare Before-tax Savings to After-tax Savings

Let’s assume your weekly salary is \$600 and you contribute \$36 to the Plan on a before-tax basis. Here’s how your take-home pay would be increased by your before-tax contribution:

	If You Save on an After-Tax Basis	If You Save on a Before-Tax Basis
Weekly salary	\$600	\$600
401(k) contribution	- - -	- \$36
Federal Taxes	\$ 76	\$ 70
Social Security	\$ 40	\$ 40
	_____	_____
Take-home pay	\$484	\$454
After-Tax savings	- \$36	- - -
	_____	_____
Take-home pay	\$448	\$454
Difference in take-home pay		+ \$6

Changing Your Savings Amount

Your savings goals may change over time. That’s why, if the Plan version your employer sponsors permits you to save through the Plan, you have the flexibility to change the way you’re saving.

Also, you can increase or decrease your voluntary contribution amount anytime during the year, but not more than once a calendar quarter.

To make a change, complete a Change Form, available from the Plan Office, your Local Union, or your Human Resource/Payroll Department. Submit your completed form to the address indicated on the form. Contact your Human Resource/Payroll Department to find out when your change will become effective.

Stopping your employee voluntary contributions

If you're saving through the Plan, you can stop voluntarily saving at any time by returning a completed Change Form to the address on the form at least 30 days before you wish your contributions to cease. Once you stop saving, you must wait 12 months before you can begin saving again, therefore it may be to your advantage to lower your contributions to the minimum allowed by the Plan first. To resume saving, return a completed Change Form to the address on the form at least 30 days before you wish your contributions to resume.

FEDERAL LIMITS ON CONTRIBUTIONS

Federal regulations provide that the maximum total before-tax savings an employee can contribute to the Plan in 2010 is \$16,500. Additionally, Participants age 50 and over may now contribute an amount above the contribution limit - \$5,500 in 2010. These limits are set to be increased by \$500 each year or as the regulations are changed in the future.

Also, the total employer contributions (if applicable) plus employee before-tax savings (if applicable) cannot exceed 100% of compensation (or \$40,000, if less) annually.

In addition, the Plan is subject to nondiscrimination rules under the Internal Revenue Code. These rules apply to higher-paid employees. Depending on the results of nondiscrimination tests, applicable employer contributions and/or employee before-tax contributions may be reduced or eliminated for higher-paid employees. In 2010, "higher-paid employees" are generally defined as those earning more than \$110,000 a year. This amount may be adjusted annually for inflation.

If you are affected by these limitations, the Plan Office will contact you.

INVESTMENT OF YOUR ACCOUNT

You are required to direct the investment of all amounts allocated to your account under the Plan. The Plan may, from time to time, in its discretion add or delete one or more of these investment funds or limit the monies that may be contributed to an investment alternative. You will, of course, be notified of any changes, additions, or limitations to your investment alternatives. At the time of enrollment, you are required to direct the investment of your contributions and any other contribution from your employer. Before you decide, please read carefully this Summary Plan Description, other investment materials, as well as periodic information provided by the Plan Office.

You may invest all the money in your account in any or all of the investment options offered under the Plan. Each fund has a unique investment style and objective. How you elect to invest your account among these options is an important and personal decision. As you make your choices, keep in mind that investments come with a built-in trade-off between risk and return. Lower risk investments generally offer lower potential returns. Investments with higher risks of loss generally offer higher potential returns.

Over time as your retirement savings goals change, you should review your allocation periodically along with the investment style and objectives of the investment funds available in the Plan.

Attached as Appendix A is a brief description of the investment options currently offered to you under the Plan. For recent performance information, please visit our website: www.iuepension.org.

In the event that a Plan Participant fails to provide the Plan with their investment elections, contributions shall be invested in the Default Investment Option. The Default Investment Option is the retirement-date targeted investment offered under the Plan that is closest to the Participant's Normal Re-

tirement Age based on their date of birth. If the birth date of the Participant cannot be determined by the Plan, the Default Investment Option will then be the balanced investment option offered in the Plan.

Investment Election

On your Enrollment Form, there's a section where you can elect how much of your account you wish to put into each investment fund. Your elections are made as percentages of your account in multiples of 1%. Remember, the percentages you elect must always add up to 100% because the Plan must invest 100% of your account.

Investment earnings are reinvested in the same investment fund in which they were earned. They're not subject to federal, state, or local income tax until they're paid out to you.

Changing Your Investment Strategy

Participants are able to change the way their accounts are invested daily. This is possible through the Plan website at www.iuepension.org or by calling the Voice Response System at 1-877-778-2100.

You may change the investment direction of your existing account balance without changing the investment direction of future contributions, and vice versa. Remember, your account must be invested among the funds in 1% multiples.

Both services are generally available 24 hours a day, 7 days a week.

If you prefer, you may complete a Change Form and return it to the Plan Office by mail or fax.

VESTING

"Vesting" refers to your ownership of money in your account. For example, if you're 100% vested in your account, you own all the money in your account.

All contributions to the Plan, whether from the Participant or the Employer are always immediately 100% vested.

QUARTERLY ACCOUNT STATEMENTS

So you can see the current status of your account balance, a personalized statement will be mailed to your home at least four times a year, unless you elect to receive your statements electronically, in which case a hardcopy will be mailed to your home annually. It is important to keep your address current with the Plan Office.

The statements will summarize other pertinent data, such as your up-to-date investment elections, investment options offered in the Plan, and from time to time other important messages from the Plan.

WHEN YOUR ACCOUNT IS VALUED

Each market day, your account will be "valued". This means that the fair market value (as reported by the mutual fund manager) of your investments in each investment fund will be determined. Your account will be adjusted for any investment gains and losses daily.

WHEN YOUR ACCOUNT WILL BE PAID OUT

The full market value of your Plan account (contributions plus any earnings on these amounts) will be payable to you:

- ◆ Should you elect to retire as early as 55,
- ◆ If you become totally and permanently disabled (and eligible for Social Security disability benefits) while working for your employer,
- ◆ The full market value of your account will be payable to your beneficiary if you die,
- ◆ If you terminate your employment for any reason other than retirement, disability, or death, or should your employer cease to be a Participating Employer as determined by the Plan's Trustees.

You will have the choice to roll it over into another tax-qualified plan or qualified IRA, take a lump-sum distribution, or monthly installments (if your account balance is over \$5,000).

OR, if you have an account balance over \$1,000, you may leave the account invested in the IUE-CWA 401(k) Plan. With this option, you will retain full control over the investment of your account; however, new contributions cannot be made, except as provided in a collective bargaining agreement through the IUE-CWA or affiliated organization.

If you have retired, you must begin to receive distributions from your account by April 1 of the calendar year following the calendar year in which you attain the age 70 ½.

In the event that a Participant moves from Covered Employment under the Plan to Non-Covered Employment (usually meaning when a Participant moves from a Bargaining Unit position to a management or other non-bargaining unit position), the Participant will NOT be eligible for a Distribution of their account under the Plan.

A Participant who is performing qualified military service (Code 414(s)(1)) for more than 30 days shall, for the purpose of eligibility for distributions be treated as being “terminated” from employment with the Participating Employer. If a Participant takes a distribution under these rules, he/she will be barred from making Elective Contributions for a period of 6 months following the date of the distribution.

Methods of Payment

You (or your beneficiary) can choose to have your account paid in one of three ways. However, if you’re married, special rules concerning your beneficiary apply. The following payment methods are available:

- ◆ Lump-Sum cash payment. If you elect this option, you’ll receive your account balance in a single, lump-sum payment.
- ◆ Monthly installments over 5, 10, 15, or 20 years. If you elect this payment method, you’ll receive monthly payments over 5, 10, 15 or 20 years - whichever period you specify. Each year, the number of invest

ment units (shares) that you own will be divided by the number of installments remaining. The result will be the amount you’ll receive each month. While payments are being made, your unpaid balance will continue to be invested as you choose. Your monthly dollar amount will vary based on investment performance.

If you die while still receiving installments, the remaining unpaid balance will be paid to your beneficiary. Your beneficiary will be able to choose to receive continued installments or a lump-sum cash payment.

◆ Lifetime payments. If you elect this option, the number of investment units (shares) that you own will be divided by your life expectancy on the date payments are first payable. The result will be the amount payable to you that first year, in monthly installments.

After the first year, on every anniversary of the date payments were first payable, the annual payout will be recalculated. This will automatically be done by dividing the number of remaining investment units (shares) in your account by your updated life expectancy.

Filing a Request for Payout

If you’re entitled to a payout, complete and return a Distribution Form, available from the Plan Office, Plan website www.iuepension.org, your Union Representative, or your Human Resource/Payroll Department. On this form, you will indicate the method of payment you wish to receive.

Should you terminate your employment for any reason and your account balance is less than \$1,000, it will, after 170 days, automatically be distributed to you. You will have the opportunity to rollover the distribution or receive a check for the amount in your account.

If you die after you begin to receive the remaining balance of your account, payments will continue to be distributed to your beneficiary at least as rap-

idly as the method of distribution that was used prior to your death, in accordance with IRS regulation.

IN-SERVICE WITHDRAWALS

The Plan provides for three types of “In-Service” withdrawals from the Plan (meaning that you must continue to be employed by the participating employer to be eligible for the withdrawal). These include:

- ◆ General Purpose and Primary Residence Loans,
- ◆ Age 59 ½ Withdrawals,
- ◆ Hardship Withdrawals.

Loans

If you are employed by a Participating Employer and do not have an outstanding Plan Loan (either current or in default), you may take out a loan from your Elective Contributions or Rollover Balance with the Plan upon application to and approval by the Trustees. All loans from the Plan are subject to the rules below and any other regulation that may be required by the federal government.

The minimum amount of any loan is \$1,000. You may borrow no more than 50% of the value of your Elective Contributions and Rollover Balance account or \$50,000 in any calendar year. You may only have one loan from the Plan outstanding at any given time.

The interest rate on a loan through the Plan shall be 1% above the Prime Rate. The rate is set quarterly and can be found at any time by logging into your account online, on the toll-free automated line, or by calling the Plan Office. If you are serving a period of military duty, the interest rate on a loan from the Plan will be no more than 6% compounded annually.

Your application for a loan must state the reason for the loan and include your consent to the Plan’s foreclosure on the loan if you default. The Plan’s decision in approving or disapproving your loan

application is final. There will be a fee associated with applying for a loan from the Plan. If you are married, Loan Applications require spousal consent, signed before a Notary Public.

There are two types of loans:

- ◆ **General Purpose Loan:** This loan can be used for any purpose. It must be repaid within five (5) years. The loan fee is \$100.
- ◆ **Primary Residence Loan:** This loan is for the sole purpose of purchasing your Primary Residence. You must provide appropriate paperwork for the loan including, but not limited to a contract of sale with both buyer and seller signatures and a good faith estimate of the sale. This type of loan may be repaid within ten (10) years. The loan fee is \$100.

The amount of a loan through the Plan will be transferred proportionately from each of your investments in the Plan. Your repayments of principal and interest will be credited to each of your investments in the same proportion that your account is invested in each investment option at the time of repayment.

Loan repayments are made with after-tax payroll deduction and sent to the Plan by your Employer. You may prepay your loan in full on any date without penalty.

The following events will constitute a default on your loan through the Plan:

- ◆ failure to make a loan payment for more than 60 days (with the exception of Participants on a military leave of absence),
- ◆ your separation from service with your Employer due to termination of employment, death, retirement, total and permanent disability, or
- ◆ other event entitling you to a distribution under the Plan.

If full payment of the loan has not been made for more than 60 days, your filing for personal bankruptcy, or if the term of your loan exceeding the regulatory limits allowed.

If your loan through the Plan is declared in default the loan will be reported as a taxable distribution for the year of default. The defaulted loan will be reported on Form 1099-R for the calendar year of the default.

If you are on a military leave of absence, you may elect to suspend loan repayments for the period of military service.

Loans can significantly reduce your ability to save for retirement. They also can have an adverse impact on your taxes should you default.

Age 59 ½ Withdrawals

Early withdrawals from retirement savings are discouraged, however, in some circumstances (usually for retirement planning purposes) an in-service withdrawal at age 59 ½ may offer some advantages. Upon attaining the age of 59 ½, you may make an in-service withdrawal of a portion or all of your account balance without incurring the 10% penalty tax imposed on early withdrawals. However, your distribution will be subject to income tax. The portion of your withdrawal that is taxable is eligible for a tax-deferred rollover. A partial withdrawal (other than a Hardship Withdrawal) will not affect your current contribution election. If you are married, Age 59 ½ Withdrawals require spousal consent, signed before a Notary Public. A maximum of two Age 59 ½ Withdrawals will be permitted each year.

Hardship Withdrawals

Only Employee/Participants who continue employment with the Participating Employer are eligible for a Hardship Withdrawal. Hardship Withdrawals are not loans and are not paid back to the Plan.

To be eligible, the Participant must provide significant proof of the Hardship and exhaust all other options in resolving the Hardship. This includes all sources of income, property, and loans that can be taken from the Plan, lending institutions, or other qualified plan which allows for loans.

Each of the following are “Safe-Harbor” hardships according to the Internal Revenue Service:

- ◆ Extreme Medical Expense for you, your spouse, or any dependents. You must provide copies of the unpaid medical bill(s) and/or a copy of the denial of benefits from your insurance company.
- ◆ Payment of Post-Secondary Education for you, your spouse, or any dependents during the next 12 months. You must provide a copy of the unpaid tuition bill(s) and other school-related expenses.
- ◆ Purchase of the Participant’s Primary Residence. You must provide a contract of sale with both buyer and seller signatures and a good faith estimate.
- ◆ Payment to prevent eviction from or foreclosure on your Primary Residence. You must provide a copy of the eviction or foreclosure notice or a letter from your landlord stating the amount you owe to avoid eviction.
- ◆ Payment to cover burial or funeral expenses for your Parents, Spouse, Children, or Dependents. You must provide a copy of the unpaid bill showing who the expense is for and the amount owed. You will also need to provide proof of your relationship: your birth certificate for your Parents, marriage certificate for your Spouse, your child’s birth certificate, and court or legal documents showing your Dependents.
- ◆ Payment to repair damage to your Primary Residence that could qualify for the casualty deduction under IRS Code Section 165. You may be eligible for a Hardship should your home be damaged by tornado, hurricane, earthquake, or other natural hazard. You must provide a copy of the unpaid bill showing the cost of the repair and the amount owed, including the address where the work is to be performed (your Primary

Residence). You must also provide a copy of IRS Form 4684 Casualties and Thefts which you have filed with the IRS to claim the deduction.

As part of the Hardship Withdrawal Application, you will be required to sign an affidavit that confirms you have exhausted all other means of payment for the above items; however, the Plan reserves the right to request additional documents.

The Participant may choose the amount of the Hardship withdrawal; however, it cannot be in excess of the amount required to satisfy the need, except to cover the appropriate federal income tax withholding, if elected (see below). The funds available for hardship withdrawal are limited to employee deferred contributions. Earnings, employer contributions, and rollover contributions may not be used for this purpose. Any available amounts for Hardship Withdrawal will be limited to those not set aside as collateral for a Plan Loan.

Hardship withdrawals are subject to approval by the Plan Administrator and may be denied. If you feel you have been unreasonably denied a hardship withdrawal, please follow the Appeal Procedure.

Hardship withdrawals are not eligible for rollovers into tax-qualified plans. Therefore, the Plan is not required by the IRS to withhold federal taxes from your Hardship Withdrawal. You may be taxed by the IRS for the Withdrawal whether you choose to have taxes withheld at the time of the withdrawal or not. The Plan Office will send a Form 1099-R for you to use on your income taxes. The withdrawal is also subject to any other applicable federal, state, and local income taxes, as well as the 10% federal tax penalty for early withdrawals before age 59 ½.

Participants who receive a hardship withdrawal cannot make contributions to the Plan for six (6) calendar months. When the participant is again allowed to make contributions to the plan, those contributions (made during the calendar year im-

mediately following the year in which the hardship withdrawal was taken) will be restricted to the maximum amount determined by the IRS, less any participant contributions made in the year of the hardship withdrawal.

If you are married, Hardship Withdrawals require spousal consent, signed before a Notary Public.

Accounts with current, pending Qualified Domestic Relations Orders (QDRO) cannot be requested as a Hardship withdrawal from the Plan until the QDRO has been completed and the account divided according to the Order.

Hardship withdrawals may significantly reduce your ability to save for retirement. They also can have a negative impact on your annual taxes.

PAYING TAXES ON A PAYOUT

Upon receiving a Plan payout, you or your beneficiary will be responsible for paying income taxes on the taxable portion of your account.

The taxable portion of your account includes any before-tax employee contributions, any employer contributions, and all earnings on your account. These taxable amounts will be taxed as ordinary income (some lump-sum payouts, however, qualify for special federal income tax treatment. See the following section, "Special Tax Treatment for a Lump-Sum Payout").

Federal Income Tax Withholding

A 20% federal income tax withholding will automatically be withheld from all Lump-Sum distributions paid out directly to you. You will also be responsible for any additional federal income taxes, state and/or local income taxes, in addition to a 10% federal income tax penalty for early distribution if you have not yet reached age 59 ½ as described below. The 10% federal income tax penalty is not applicable to participants who take early retirement in accordance with the provisions of the Plan or beneficiaries of the Plan.

When you or your beneficiary elects Monthly Installments over 5 years, the Plan must withhold federal income tax from your monthly payouts. If you (or your beneficiary) choose another Monthly Installment payout period, you may elect to not have federal income taxes withheld.

State and Local Income Taxes

State and local income tax laws regarding Plan payouts vary by location. Please consult a tax advisor or your state or local tax agency for more information.

10% Federal Income Tax for Early Withdrawal

If you receive a payout from the Plan before age 59 ½, you are subject to ordinary income taxes plus an additional 10% federal income tax penalty for early withdrawal.

Exceptions to this rule include:

- ◆ A disability payout
- ◆ Retirement beginning on or after age 55
- ◆ An Age 59 ½ Withdrawal (in-service)
- ◆ A payout to your beneficiary upon your death.

Special Tax Treatment for a Lump-Sum Payout

If the entire balance in your account is paid out to you or your beneficiary in a lump-sum within a single tax year, the taxable portion may be eligible for special “ten-year averaging” federal income tax treatment. This treatment is available only if you had been in the Plan for at least five full calendar years.

Individuals who were age 50 or over on January 1, 1986 can make a one-time election to use the 10-year averaging and capital gains provisions that were in effect before the Tax Reform Act of 1986. After making this election, an individual won't be permitted to elect special tax treatment for any future lump-sum payouts.

Rolling Over a Lump-Sum Payout

If you receive a lump-sum payout of your entire account balance within a single tax year, you can continue deferring federal income tax (and the additional 10% tax penalty, if applicable) on any taxable money that you “roll over” to an approved individual retirement account (IRA) or another employer's qualified plan. The taxable money includes any before-tax employee contributions, any employer contributions, and all earnings on your account.

If the rollover distribution is made payable directly to another qualified plan or IRA, the Plan will not be required to withhold the 20% federal income tax. If the rollover distribution is made payable to the participant, the Plan is required to withhold the 20% federal income tax. However, continued tax deferral will be permitted only if you complete the rollover within 60 days of your payout. If you choose to rollover the money after the distribution has been made payable to you, you must rollover the entire amount, including the 20% in federal taxes taken by the Plan, into another qualified Plan or IRA.

If your spouse or non-spouse beneficiary receives a lump-sum payout of your entire account balance within a single tax year following your death, he or she also can take advantage of the 60-day rollover provision on the taxable portion of the payout.

ADMINISTRATION OF THE PLAN

Protection of Your Account

The money in your account is not subject to claims of your creditors or creditors of your spouse or other beneficiaries. You may not assign, sell, or commit any unpaid balance in your account in any way unless the assignment results from a judgment, decree, or order relating to child support, alimony payments, or marital property rights under state domestic relations law.

Qualified Domestic Relations Orders

The Retirement Equity Act of 1984 (REA) requires that employee retirement benefit plans recognize Qualified Domestic Relations Orders (QDROs). If you are a party in a divorce settlement that affects your interest in this Plan, you should have your at-

torney contact the Plan Office in order to make certain that the appropriate documents are filed and that the court order in question complies with the governing legislation.

In general, a QDRO is a court order, judgment, or decree that:

- ◆ is made pursuant to a state domestic relations law (including community property laws);
- ◆ relates to the provisions of child support, alimony payments, or marital property rights; and
- ◆ creates or recognizes an alternate payee's right to receive all or a portion of a participant's benefits under an employee benefit plan.

Administration of the Plan

The Trust Fund is administered by the IUE-CWA Pension Fund, which is comprised of an equal number of Union and Employer Trustees who serve as the Sponsor and Administrator of the Plan.

IUE-CWA Pension Fund Trustees:

Union Trustees

Jim Clark
President
IUE-CWA
2701 Dryden Road
Dayton, OH 45439

Doug Williams
Int'l Representative
IUE-CWA Region Eight
3747 Minnehaha Ave S
Minneapolis, MN 55406

Employer Trustees

Lawrence T. Cody
President, CEO
Wendell's, Inc.
6601 Bunker Lake Blvd NW
Ramsey, MN 55303

Mary Shofner
HR Manager
CG Power Systems USA, Inc
One Pauwels Drive
Washington, MO 63090

The Plan Office and contracted recordkeeper do most of the work involved in running the Plan - answering participant questions, keeping records of participants individual accounts, processing forms, paying out account balances, etc. Fund staff is authorized by the Fund Trustees to take all actions

and make all decisions necessary and proper to carry out the provisions of the Plan. They also assure that all Plan participants are given equal consideration.

The Plan's Trust Fund

All Plan contributions go to the IUE-CWA 401(k) Retirement Savings and Security Plan Trust Fund. The Trust Fund is a legal entity that holds all assets of the Plan. Assets of the Trust Fund may be used only for the benefit of employees who participate in the Plan and to pay certain Plan expenses.

According to your instructions, the Trustees invest your account among the investment funds offered by the Plan. Investment earnings are reinvested in the Plan.

Administration & Recordkeeping Fees

There are various administrative and investment expenses associated with operating the Plan. All expenses are paid from the IUE-CWA 401(k) Retirement Savings and Security Plan Fund, using the following participant fees:

- ◆ \$3.75 quarterly administrative fee (total of \$15 per year)
- ◆ 5 basis point fee (0.05% of account balance) calculated quarterly and deducted from participants' accounts for a total of 20 basis points (0.2% of account balance) annually.

Administration and recordkeeping fees may be adjusted periodically with advanced notice to participants to ensure the Plan's ability to maintain administrative support of its operation.

Investment Fund Fees

Each investment fund offered by the Plan has management fees charged by the individual investment companies. These fees vary by investment type.

Investment management fees are not deducted from participant accounts, but are reflected in the fair market value (share price) of each investment

option. Investment fees charged by each investment fund are disclosed in the Information Sheet of each fund, as well as the Plan's website, and other locations where mutual fund descriptions are available. These fees are expressed as the "Expense Ratio". The "Retail Charge" published for these funds are waived because the Plan is an institutional investor.

Appeal Procedure

If the Plan Office determines that you aren't entitled to a benefit you've requested, you'll receive a written notice within 90 days explaining the reasons why your request was denied and provide you with a list of additional documentation, if any, you'll need to make your appeal. Within 60 days after you receive the notice, you may appeal the decision by submitting a written request to a review by the Board of Trustees.

Your written request will be submitted to the Board of Trustees at the first meeting held after the date your appeal is received by the Plan Office. You will be notified of the decision reached by the Board of Trustees within 10 business days after the meeting date on which your appeal was heard, but not more than 120 days after your request for review was received.

Your Rights Under the Employee Retirement Income Security Act of 1974

As a participant in the Plan, you're entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA), as amended as summarized below.

It's your right to be informed about your benefits. So in addition to this "Summary Plan Description" of the IUE-CWA 401(k) Retirement Savings and Security Plan, you'll automatically receive a summary of each annual financial report for the Plan.

You can also examine the collective bargaining agreement that enables you to participate in the Plan, as well as, all of the Plan's legal documents

that are filed with the U.S. Department of Labor. The agreement and legal documents are available for you to examine without charge at the Plan Office during normal working hours. Or you can receive a copy of any of these items, for a reasonable charge, by writing to the Plan Office. Many of the Plan's documents are also available on-line at www.iuepension.org.

You also have the right to expect that the Plan fiduciaries - the people responsible for the operation of the Plan - act prudently and in the best interest of Plan participants.

If you believe a fiduciary has misused funds or that you've been improperly denied a benefit, you have the right to ask the U.S. Department of Labor for help or to file suit in a federal or state court. The court will decide who should pay court costs and legal fees. If you're successful, the court may order the person you have sued to pay the costs and fees. If the court finds your claim frivolous, the court may order you to pay the costs and fees.

Your employer can't dismiss you or discriminate against you to prevent you from obtaining benefits or exercising any of your rights under ERISA.

If you need additional information or have any questions about your benefits or ERISA, contact the Plan Office or the nearest area office of the U.S. Labor-Management Service Administration, Department of Labor.

A Few Words About Your Investment Decisions

Your investment decisions are your own and should reflect your personal objectives.

You should consider all of the investment funds carefully before making your investment choice. Also keep in mind that any investment carries a degree of risk. The annual rate of return of your investments will vary depending on your investment choice and overall market performance. How the funds have performed in the past does not guarantee that those

results will continue. It is up to you to monitor the funds and to make investment elections that meet your financial goals. The IUE-CWA 401(k) Retirement Savings and Security Plan is intended to constitute a participant-directed account plan under Section 404(c) of ERISA. Therefore, the fiduciaries of the Plan may be relieved of liability for any losses which are the result of your investment instructions.

Agent for Service of Legal Process

The Agent for Service of Legal Process is Michael Lostutter, IUE-CWA Pension Fund, 400 West 7th Street, Suite 233, Bloomington, IN 47404. The service of legal process may also be made to the Trustees of the Plan at the same address.

More Facts

The official name of the Plan is the IUE-CWA 401(k) Retirement Savings and Security Plan.

The address of the Plan Administrator is 400 West 7th Street, Suite 233, Bloomington, IN 47404

The telephone number of the Plan Administrator is (888) 803-7449.

The website of the Plan is:

www.iuepension.org

The Plan's investment funds are maintained by Prudential Investment Services, Three Gateway Center, 11th Floor, Newark, NJ 07102-4077.

A complete list of the employers sponsoring this Plan, including addresses, IRS-assigned employer identification numbers, and employer-assigned plan numbers, is available to you or your beneficiary. Write to the Plan Office for more information.

Descriptions and annual reports of the Plan are filed by the Fund with the Secretary of Labor in Washington, DC. Also, the Fund files annual reports with the Internal Revenue Service.

The Plan's fiscal year is a calendar year, January 1 - December 31.

This is a defined contribution plan as defined by ERISA. Its assets are therefore not insured by the Pension Benefit Guaranty Corporation.

Each Participating Employer in the Plan participates based on a Memorandum of Agreement (Participation Agreement) signed by the Employer and the Local Union or by the Local Union and IUE-CWA Pension Fund Trustees. Copies of the agreement(s) are available by writing to the Plan Office.

This booklet is a "Summary Plan Description" for the IUE-CWA 401(k) Retirement Savings and Security Plan. Only highlights of the Plan are presented here. Detailed provisions are found in the Plan's formal text, a copy of which is available for you to examine at the Plan Office. If anything stated in this booklet conflicts with the formal text, the formal text will overrule this Summary Plan Description.

The IUE-CWA Pension Fund intends to continue this Plan indefinitely. The Trustees have, however, reserved the right to amend or terminate the Plan at any time. By law, no amendment may reduce the balance in your Plan account as of the date of the amendment. If the Plan is terminated, your entire account balance will be paid out to you.

The Trustees intend the Plan to be a tax-qualified plan under the Internal Revenue Code. The provisions of the Plan are subject to any changes required by the Internal Revenue Service or the U.S. Department of Labor to comply with federal law or regulations.

Your participation in the Plan is not a guarantee of your continued employment with the Company. If you quit, are discharged or laid off, this Plan does not give you a right to any benefit or interest in the Plan except as specifically provided in the Plan Document.

