

ANNUAL FUNDING NOTICE

IUE-CWA Pension Plan

Introduction

This notice includes important funding information about your pension plan (“the Plan”). This notice also provides a summary of federal rules governing multiemployer plans in reorganization and insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. This notice is for the plan year beginning 1/1/2008 and ending 12/31/2008 (referred to hereafter as “Plan Year”).

Funded Percentage

The funded percentage of a plan is a measure of how well that plan is funded. This percentage is obtained by dividing the Plan’s assets by its liabilities on the valuation date for the plan year. In general, the higher the percentage, the better funded the plan. The Plan’s funded percentage for the Plan Year and 2 preceding plan years is set forth in the chart below, along with a statement of the value of the Plan’s assets and liabilities for the same period.

Plan Year	2008	2007	2006
Valuation Date	1/1/2008	Not applicable	Not applicable
Funded Percentage	90.7%	Not applicable	Not applicable
Value of Assets	\$ 391,653,532	Not applicable	Not applicable
Value of Liabilities	\$ 431,702,867	Not applicable	Not applicable

Transition Data

For a brief transition period, the Plan is not required by law to report certain funding related information because such information may not exist for plan years before 2008. The Plan has entered “not applicable” in the chart above to identify the information it does not have. In lieu of that information, however, the Plan is providing you with comparable information that reflects the funding status of the Plan under the law then in effect. For 2007, the Plan’s “funded current liability percentage” was 74.7%. The Plan’s assets were \$388,388,876 and the Plan’s liabilities were \$519,839,549. For 2006, the Plan’s “funded current liability percentage” was 74.5%. The Plan’s assets were \$370,364,724 and the Plan’s liabilities were \$496,871,053.

Fair Market Value of Assets

The asset values in the chart above are actuarial values, not market values. Market values tend to show a clearer picture of a plan’s funded status as of a given point in time. However, because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values for funding purposes. While actuarial values fluctuate less than market values, they are estimates. The asset value in the chart above is actuarial value. As of 12/31/2008, the fair market value of the Plan’s assets was \$ 279,654,200 (unaudited). As of 12/31/2007, the fair market value of assets was \$394,694,514 and as of 12/31/2006, the fair market value of assets was \$388,388,876.

Participant Information

The total number of participants in the plan as of the Plan's valuation date, January 1, 2008, was 25,449. Of this number, 3,891 were active participants, 8,952 were retired or separated from service and receiving benefits, 6,287 were retired or separated from service and entitled to future benefits, and 6,319 were terminated and eligible for severance benefits.

Funding & Investment Policies

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay for promised benefits. The funding policy of the Plan is for employers to make contributions pursuant to the various collective bargaining agreements under which the Plan is maintained, but in no case less than those required under federal pension law.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries. Specific investments are made in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries that are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions.

The Plan's investment policy seeks to build a diversified portfolio of domestic and international equity securities, fixed income and real estate debt securities and alternative investments which include real estate equity, hedge fund of funds and private equity partnerships.

In accordance with the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Allocations:	
Equity Investments	
Large Cap Equity Domestic	29.9%
Mid Cap Equity Domestic	3.9%
Small Cap Equity Domestic	6.4%
Large Cap Equity International	12.6%
Fixed Income Investments	
Fixed Income and Real Estate Debt	17.2%
Alternative Investments	
Real Estate Equity	9.1%
Hedge Fund of Funds	9.0%
Private Equity Partnerships	12.0%
Total	100.0%

For information about the plan's investments in any of the following types of investments as described in the chart above – common/collective trusts, pooled separate accounts, master trust investment accounts, or 103-12 investment entities – contact Ken Crandall, Administrator, 1460 Broad Street, Bloomfield, NJ 07003, 973-893-0333, or ken@iuepension.org.

Critical or Endangered Status

Under federal pension law a plan generally will be considered to be in “endangered” status if, at the beginning of the plan year, the funded percentage of the plan is less than 80 percent or in “critical” status if the percentage is less than 65 percent (other factors may also apply). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status, the trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation and funding improvement plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time.

The Plan was not in endangered or critical status in the Plan Year.

Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report (i.e., Form 5500) containing financial and other information about the plan. Copies of the annual report are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator. Note that the 2008 report is not expected to be available until mid-October of 2009.

Summary of Rules Governing Plans in Reorganization and Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans. Under so-called “plan reorganization rules,” a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC's guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The law requires the plan to furnish this notification to each contributing employer and the labor organization.

Despite the special plan reorganization rules, a plan in reorganization nevertheless could become insolvent. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for the plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available financial resources. If such resources are not enough to pay benefits at a level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC, by law, will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notification of the insolvency to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive

information regarding whether, and how, their benefits will be reduced or affected as a result of the insolvency, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next \$33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is \$35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of \$500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($\$500/10$), which equals \$50. The guaranteed amount for a \$50 monthly accrual rate is equal to the sum of \$11 plus $\$24.75$ ($.75 \times \$33$), or \$35.75. Thus, the participant's guaranteed monthly benefit is \$357.50 ($\35.75×10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of \$200, the accrual rate for purposes of determining the guarantee would be \$20 (or $\$200/10$). The guaranteed amount for a \$20 monthly accrual rate is equal to the sum of \$11 plus $\$6.75$ ($.75 \times \$9$), or \$17.75. Thus, the participant's guaranteed monthly benefit would be \$177.50 ($\17.75×10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

Where to Get More Information

For more information about this notice, you may contact:

Ken Crandall, Administrator
IUE-CWA Pension Fund
1460 Broad Street, Bloomfield, NJ 07003
973-893-0333
ken@iuepension.org

For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 22-625052. For more information about the PBGC and benefit guarantees, go to PBGC's website, www.pbgc.gov, or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).

This is to inform you that on March 31, 2009, the plan actuary for the IUE-CWA Pension Fund – EIN 22-6250252, Plan 001 – has certified to the US Department of Treasury and also notified the Fund Trustees that the Fund would have been in endangered status for the plan year beginning January 1, 2009 after seriously disappointing investment results for 2008 of -23%. However, based on pension relief provided by the *Worker, Retiree, and Employer Recovery Act of 2008* (WRERA) section 204, the Board of Trustees has elected to apply the Plan's funding status for the 2008 plan year to the 2009 plan year. Therefore, the IUE-CWA Pension Fund is neither in endangered nor critical status for the 2009 plan year. Federal law requires that you receive this notice.

Without the pension relief provided by WRERA, the Fund would have been considered to be in endangered status because it fails to meet certain funding targets. More specifically, the Fund's actuary determined that over the next seven plan years, the Fund is projected to have an accumulated funding deficiency and that the funded percentage was less than 80% at January 1, 2009.

This election applies ONLY to the 2009 Plan year (1/1/2009 to 12/31/2009). If the Fund falls into endangered status in a future plan year, federal law would require the Fund to adopt a plan aimed at restoring its financial health, which could include increases in contributions or reductions in future benefit accruals, as well as a requirement to notify Fund Participants, Beneficiaries, Employers, and Bargaining Parties. In order to prevent the Fund from falling into endangered status in future plan years, the Trustees of the Fund may determine that certain benefit reductions may be necessary.

WRERA was enacted specifically to assist pension funds with clarifications and technical corrections to the Pension Protection Act (PPA) passed in 2006 as well as to respond to the current economic crisis. In addition to declining membership, closing plants, virtually all pension funds' investment performance is suffering because of the current market conditions. While this does not put the IUE-CWA Pension Fund and others like it in current danger for paying benefits, it is the long-term funding standards required by the government that are falling behind.

As you know, the IUE-CWA Pension Fund Board of Trustees have already made tough decisions to change benefit accruals and contribution rates going forward to make up for the many issues facing the Fund mentioned before – declining membership, closing plants, and disappointing investment results. By choosing to use the WRERA option of applying 2008's funding status to the 2009 plan year, the Trustees are allowing time for additional regulation, possible improvements in the market conditions, and the time for the changes already made to take affect on the Fund's funding status before other actions are required.

For more information about this Notice, you may contact the Fund Administrator, Ken Crandall at ken@iuepension.org, 973-893-0333, 1460 Broad Street, Bloomfield, NJ 07003. You may also visit the Fund's website at www.iuepension.org for information on the IUE-CWA Pension Fund.