IUE-CWA Pension Fund
1460 Broad Street Bloomfield, NJ 07003
(973) 893-0333 phone (973) 893-8225 fax
www.iuepension.org

F n in No i e or e IUE-CWA Pension F n

September 2007

Dear Participant:

You have no doubt become aware of problems with pension plans at several U.S. corporations. As a result of the attention paid recently to the viability of pension plans in this country, the Department of Labor now requires us to send to all interested parties information in a standard format regarding the funding status of the IUE-CWA Pension Fund. This attempts to put the Annual Funding Notice in perspective. The Annual Funding Notice is included with this letter.

Pension plans like the IUE-CWA Pension Fund are designed to accumulate contributions and invest them before Participants retire so that sufficient assets are available to pay their pensions at retirement. It is critical that the Plan is funded properly to continue providing benefits for Participants at intended levels. The Trustees of the Plan have engaged consultants to ensure that the Plan is adequately funded. Among them are actuaries who certify that the Plan is properly funded under Federal law, utilizing a series of commonly used assumptions regarding items like mortality rates and long-term interest rates that reflect investment performance.

The funding status of a pension plan is commonly expressed as a percentage, reflecting the balance between the assets (contributions plus investments) and liabilities (benefits plus operating expenses) of the plan. There are numerous ways in which the funded status can be determined. One way, using a 7.50% interest rate assumption (as recommended by an independent actuary) and the market value of assets, the funded percentage of Your Plan would be 90%.

In the Annual Funding Notice, an interest rate of 6.10% (as prescribed by the IRS) and the actuarial value of assets were used in determining the funding status of Your Plan, resulting in a lower percentage than our actuary's calculation. The IRS-prescribed interest rate of 6.10% is significantly below the 7.50% long-term interest rate used by the Plan's Actuary.

The IUE-CWA Pension Fund has been providing benefits for Plan Participants without interruption for over 49 years. In 2006, benefit payments totaling approximately $29.8 million were paid to over nine thousand retired Participants and Beneficiaries. The Trustees of the Plan have remained committed to operating the Plan on a financially sound basis and meeting all Federal funding requirements, with the goal of providing benefits to enable Plan Participants the ability to obtain a secure financial future.

If you have any questions, please contact Ken Crandall, the Administrator at the Fund Office at either 973-893-0333 or ken@iuepension.org.

ANNUAL FUNDING NOTICE
For
IUE-CWA Pension Plan

Introduction

This notice, which federal law requires all multiemployer plans to send annually, includes important information about the funding level of the IUE-CWA Pension Plan, EIN 22-6250252, Plan Number 001 (the "Plan"). This notice also includes information about rules governing insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. This notice is for the plan year beginning January 1, 2006 and ending December 31, 2006 (the Plan Year).

Plan's Funding Level

The Plan's "funded current liability percentage" for the Plan Year was 75.0%. In general, the higher the percentage, the better funded the plan. The funded current liability percentage, however, is not indicative of how well a plan will be funded in the future or if it terminates. Whether this percentage will increase or decrease over time depends on a number of factors, including how the plan's investments perform, what assumptions the plan makes about rates of return, whether employer contributions to the fund increase or decline, and whether benefit payments from the fund increase or decline.

Plan's Financial Information

The market value of the Plan's assets as of January 1, 2006 was $ 372,869,060. The total amount of benefit payments for the Plan Year was $ 29,893,432. The ratio of assets to benefit payments is 12.5 to 1. This ratio suggests that the Plan's assets could provide for approximately 12.5 years of benefit payments in annual amounts equal to what was paid out in the Plan Year. However, the ratio does not take into account future changes in total benefit payments or plan assets.

Rules Governing 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 x $33), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 x 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 x $9), or $17.75. Thus, the participant's guaranteed monthly benefit would be $177.50 ($17.75 x 10).

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. 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 Kenneth Crandall, at 973-893-0333 or c/o IUE-CWA Pension Fund, 1460 Broad Street, Bloomfield, NJ 07003. For more information about the PBGC and multiemployer benefits 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 notice covers only the IUE-CWA Pension Fund. It does not cover any information about the IUE-CWA 401(k) Plan.

SUMMARY ANNUAL REPORT
IUE-CWA PENSION PLAN
PLAN YEAR ENDED DECEMBER 31, 2006

This is a summary of the annual report for IUE-CWA Pension Plan (EIN# 22-6250252, Plan No. 001), for the period January 1, 2006 to December 31, 2006. The annual report has been filed with the Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

BASIC FINANCIAL STATEMENT

Benefits under the plan are provided by a trust. Total plan expenses were $33,240,401. These expenses included $3,346,969 in administrative expenses and $29,893,432 in benefits paid to participants and beneficiaries. A total of 26,826 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of plan assets, after subtracting liabilities of the plan, was $388,388,876 as of December 31, 2006, compared to $372,869,060 as of January 1, 2006. During the plan year the plan experienced an increase in its net assets of $15,519,816. This change includes unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The plan had total income of $48,760,217, including employer contributions of $7,666,334, employee contributions of $27,940 gains of $2,332,321 from the sale of assets, earnings from investments of $38,475,139 and other income of $258,483.

MINIMUM FUNDING STANDARDS

An actuary's statement shows that sufficient money was contributed to the plan to keep it funded in accordance with the minimum funding standards of ERISA.

YOUR RIGHTS TO ADDITIONAL INFORMATION

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. An accountant's report;
2. Financial information and information on payments to service providers;
3. Assets held for investment;
4. Transactions in excess of 5% of plan assets;
5. Insurance information including sales commissions paid by insurance carriers;
6. Information regarding common or collective trusts and pooled separate accounts in which the plan participates; and
7. Actuarial information regarding the funding of the plan.

To obtain a copy of the full annual report, or any part thereof, write or call Mr. Kenneth Crandall, who is the Administrative Manager, 1460 Broad Street, Bloomfield, NJ 07003, Tel. No. (973) 893-0333. The charge to cover copying costs will be $10.00 for the full annual report or $.10 per page for any part thereof.

You also have the right to receive from the administrative manager, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy for the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge of the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan, IUE-CWA Pension Fund, 1460 Broad Street, Bloomfield, NJ 07003 and at the U.S. Department of Labor in Washington, D.C. or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, N5638, Pension and Welfare Benefit Administration, Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

Joint Board of Trustees
IUE–CWA Pension Plan