

August 18, 2006

From: Tom Sykes, Fund Office

Re: Funds Reciprocated from Other IBEW Jurisdictions

When an #86 member works in another IBEW jurisdiction that Local collects the benefits due under their Collective Bargaining Agreement from its contractors. Unless authorization is provided by the worker, the local must retain all funds it collects and administer them according its plan guidelines.

Effective 1/1/03 the manual registration system was replaced by the Electronic Reciprocal Transfer System or ERTS. Under the ERTS system, the participant enters a blanket authorization to cover the reciprocity (return) of certain benefits back to his Home Local (#86). Members who completed manual reciprocal papers on 12/31/02 or earlier and were having their funds returned will continue to be eligible for reciprocity. Upon terminating that employment for any reason, however, they must register on ERTS to have their funds reciprocated.

Below is summary about what funds are reciprocated:

Pension (Defined Benefit) Funds:

All monies are reciprocated back to the #86 Plan and subsequently credited to participant's individual account. To determine the hours to be credited, the amount received is divided by the #86 rate. As of 5/29/06 the #86 pension rate is \$3.97 per hour. As a result, if \$1,000 was reciprocated, the hours credited would be 251.89 hours after dividing by our rate.

Annuity Defined Contribution Funds:

All monies are reciprocated back to the #86 Plan and subsequently credited to participant's individual account at Putnam Investments.

Note: Putnam quarterly statements provide excellent opportunity to track monies coming back since they show all contributions [Source, Hours, Rate(s) & \$Amount]. Save your pay stubs and match to the statement. Report any discrepancies and provide copies of your pay stubs so the #86 Fund Office can follow through. It typically takes an extra month, however, for reciprocated monies to be received than those earned when working in the #86 jurisdiction.

Health & Welfare (Insurance) Funds:

Contributions are returned up to the maximum Local #86 rate which is currently \$5.60. Any excess is kept by the other jurisdiction. The receiving participant receives full credit, however, for all hours worked. Under our Plan, hours are used to calculate member credits and any self-pay charges.