

I.B.E.W. Local 40 NECA 401(k) Plan Annuity Notice

As a participant with a vested balance that is greater than \$5,000, you have accumulated benefits that may be paid to you under the provisions of the Plan. Your benefits may not, however, be automatically paid as a lump sum. This notice will explain to you the annuity form in which your benefits will be paid unless you make the election described in this notice.

Timing of Benefits

If you have reached normal retirement age, payment of your vested account balance will begin as soon as administratively practicable after you retire.

If you have terminated employment prior to retirement, you can elect to receive the vested portion of your account balance as soon as administratively practicable after you terminate employment after you terminate employment in the industry (12 months after the last contributions have been received by this Plan on your behalf). Alternatively, if you do not elect immediate distribution of your vested account balance, payment will generally be postponed until you consent to a distribution or reach normal retirement age.

If you elect to defer distribution of your vested account balance and you die before reaching normal retirement age, your benefits will be paid to the beneficiary(ies) you have designated prior to your death. If you are married at the time of your death, your benefits will be paid to your surviving spouse in the form of a pre-retirement survivor annuity, unless prior to your death you have elected another method of benefit payment and your spouse has consented to this election. In addition, your spouse must also consent to your designation of any beneficiary other than your spouse.

Annuity Distribution Options

If you are not married when payment of your benefits under the Plan begins, unless you elect otherwise, your benefits will be paid to you in the form of a single life annuity. The single life annuity will provide you with equal monthly payments during your life. Payments cease at your death. If you are married at the time payment of your benefits is to begin, unless you elect otherwise, your benefits will be paid to you in the form of a joint and survivor annuity with your spouse. The joint and survivor annuity will provide you with equal monthly payments over your life and upon your death, will provide your surviving spouse with monthly payments.

If your benefits are paid as a single life or joint and survivor annuity, the Plan will use your vested balance to purchase an annuity contract from an insurance company which will provide the monthly payments. The Plan will charge your account for any commission paid in connection with the purchase of an annuity contract from an insurance company.

The size of each monthly annuity payment depends on a number of factors, including your vested account balance at the time of your retirement (or other termination of employment), the annuity interest rate used by the insurance company, and your age (and the age of your spouse if you are married) at the time benefits become payable. The joint and survivor annuity is a benefit equal in value to the benefit you would receive in the single life annuity form if you were not married. The monthly payments under the joint and survivor annuity are less than the monthly payments you would receive under the single life annuity, because the survivor feature increases the value of the benefit.

Financial Effects of Distributions

Under a single life annuity, you will receive monthly benefit payments until your death with no other benefit payments being made following your death.

Under a joint and survivor annuity, you will receive monthly benefit payments until your death, and thereafter your surviving spouse will receive monthly payments equal to one-half the monthly payment amount you received during your life. No benefits will be payable to any beneficiaries other than the surviving spouse.

Under a single life annuity, if you die prior to your life expectancy, you may receive less than the vested amount of your account balance under the plan at termination of employment. Under a joint and survivor annuity, if you and your surviving spouse die prior to your joint life expectancies, you and your surviving spouse may receive less than the vested amount of your account balance under the Plan at your termination of employment. However, if you (and your spouse if you are married) live longer than expected, you (and your spouse if you are married) may receive more than the vested amount of your account balance under the Plan at your termination of employment.

If you elect a lump sum payment, you will receive the vested amount of your account balance in the Plan in a single payment. A single sum may be eligible to be "rolled over" (without current tax being paid) to another qualified plan or individual retirement arrangement, or may be eligible for other special tax benefits. A Special Tax Notice Regarding Plan Payments describing these rules is also enclosed.

Under the installment method of distribution, the Plan will make monthly or quarterly payments of your vested account balance over a specified period of time, as elected by you. Installment payments will generally be made either directly from the Plan, or from a segregated account. This means that the total amount paid to you (or your beneficiary in the event of your death) may be more or less than the current value of your vested account balance due to investment gains or losses. In addition, if you are married, unless you designate a beneficiary in addition to or instead of your spouse and your spouse consents, your spouse is automatically considered your sole beneficiary for the payment of any remaining installments in the event of your death.

You are entitled to receive this notice at least 30 days prior to the distribution of benefits in order to decide what form of payment is best for you. You may waive the 30-day notice period (with your spouse's consent, if you are married,) and have your benefits paid sooner, but in no event will they be distributed prior to 7 days after you receive this notice. You may revoke your affirmative election to receive benefits at any time prior to the actual distribution.

If you have any questions about the forms of payment available under the Plan or rights under this notice, you should direct your questions to Putnam Investments at 1-877-UNION-44 (1-877-864-6644)