

ELECTRICAL WORKERS LOCAL 86 BENEFIT FUNDS
International Brotherhood of Electrical Workers
2300 E. River Road – Rochester, New York 14623
Telephone (585) 235-1515

July 27, 2015

Re: Annual Funding Notice for Pension Plan of Local No. 86 I.B.E.W.

Dear Pension Plan Participant:

Each year, the Pension Plan of Local No 86 I.B.E.W. is required to send all plan participants a notice, called the Annual Funding Notice. The purpose of this notice is to provide all plan participants with:

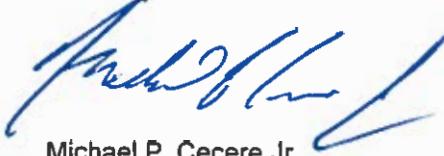
- The funding status of the pension plan;
- Financial information about the plan;
- Certain rules governing "insolvent" pension plans; and
- Important contact information.

The legally-required notice follows this letter. However, we are pleased to point out that our pension plan's funding status is currently very strong, indicating a healthy financial outlook for our plan. The IRS has defined funding levels that identify a plan's financial status. Plans that are at least 80% funded are considered "healthy." Plans that are between 65% and 80% funded are generally considered "endangered," and plans that are less than 65% funded are generally considered "critical." Endangered and critical plans are subject to certain regulations, alternative funding requirements and restrictions aimed at getting the funding level of the plan to a healthy status.

For the previous plan year beginning April 1, 2013 and ending March 31, 2014, valued April 1, 2014, the Pension Plan of Local No. 86 I.B.E.W. was 109.2% funded. This is well above the 80% funding level determined by the IRS used to identify plans that are endangered. The estimated funded percentage for current plan year beginning April 1, 2014 and ending March 31, 2015, valued at April 1, 2015 is 106.9%, taking into account all plan amendments (i.e. benefit increases) adopted by the Trustees effective April 1, 2014. The plan has weathered the storm of the turbulent markets and the trustees are taking great care to maintain the health of the plan.

Please review the following Annual Funding Notice for additional information about the plan. If you have questions about anything in this notice, contact me at (585) 463-3290.

Sincerely,



Michael P. Cecere Jr.
Fund Manager

Annual Funding Notice

For

The Pension Plan of Local #86 of the International Brotherhood of Electrical Workers

Introduction

This notice includes important information about the funding status of your pension plan ("the Plan") and general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. All traditional pension plans (called "defined benefit pension plans") must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is for the plan year beginning April 1, 2014 and ending March 31, 2015 ("Plan Year").

How Well Funded Is Your Plan

Under federal law, the plan must report how well it is funded by using a measure called the "funded percentage." 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. Your Plan's funded percentage for the Plan Year and each of the two 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.

	2014 Plan Year	2013 Plan Year	2012 Plan Year
Valuation Date	April 1, 2014	April 1, 2013	April 1, 2012
Funded percentage	109.2%	101.5%	101.0%
Value of Assets	\$167,907,051	\$148,463,983	\$139,298,464
Value of Liabilities	\$153,798,869	\$146,295,353	\$137,890,176

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date for the plan year and are actuarial values. 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 that are designed to smooth out those fluctuations for funding purposes. The asset values below are market values and are measured as of the last day of the plan year, rather than as of the Valuation Date. Substituting the market value of assets for the actuarial value used in the above chart would show a clearer picture of a plan's funded status as of the Valuation Date. The fair market value of the Plan's assets as of the last day of the Plan Year and each of the two preceding plan years is shown in the following table:

	March 31, 2015	March 31, 2014	March 31, 2013
Fair Market Value of Assets	\$184,543,587.	\$178,475,533	\$158,987,322

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.

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Participant Information

The total number of participants in the plan as of the Plan's valuation date was 1,584. Of this number, 714 were active participants, 583 were retired or separated from service and receiving benefits, and 287 were retired or separated from service and entitled to future benefits.

Funding and Investment Policies

Every pension plan must have a procedure for establishing a funding policy to carry out plan objectives. A funding policy relates to the level of contributions needed to pay for benefits promised under the plan currently and over the years. The following is the funding policy of the Plan: Contributing Employers make contributions each month on behalf of their participating employees in the amounts specified under the Labor Agreement (or the agreement by which the employer is obligated to make contributions).

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries, who make specific investments in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy of the Plan is to invest contributions for the sole benefit of plan participants in a Trust Fund consisting of stocks, bonds, and other investments. Earnings of the Fund remain a part of the Fund and are reinvested by the Bank at the directions of the investment manager.

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	Percentage
1. Interest-bearing cash	4.47
2. U.S. Government securities	21.25%
3. Corporate debt instruments (other than employer securities):	
Preferred	0.00%
All other	18.32%
4. Corporate stocks (other than employer securities):	
Preferred	.17%
Common	37.12%
5. Partnership/joint venture interests	1.79%
6. Real estate (other than employer real property)	0.00%
7. Loans (other than to participants)	.04%
8. Participant loans	0.00%
9. Value of interest in common/collective trusts	0.00%
10. Value of interest in pooled separate accounts	0.00%
11. Value of interest in master trust investment accounts	0.00%
12. Value of interest in 103-12 investment entities	0.00%
13. Value of interest in registered investment companies (e.g., mutual funds)	16.84%
14. Value of funds held in insurance co. general account (unallocated contracts)	0.00%
15. Employer-related investments:	
Employer Securities	0.00%
Employer real property	0.00%

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16. Buildings and other property used in plan operation	0.00%
17. Other	0.00%

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 called the Form 5500 that contains 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. For 2009 and subsequent plan years, you may obtain an electronic copy of the plan's annual report by going to www.efast.dol.gov and using the Form 5500 search function. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator or by getting it off of the Fund Office website located at www.ourbenefitoffice.com/IBEWLocal86/Benefits. Individual information, such as the amount of your accrued benefit under the plan, is not contained in the annual report. If you are seeking information regarding your benefits under the plan, contact the plan administrator identified below under "Where To Get More Information."

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. The plan administrator is required by law to include a summary of these rules in the annual funding notice. 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 plan is required to furnish this notification to each contributing employer and the labor organization.

Despite the special plan reorganization rules, a plan in reorganization 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 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 its status 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, 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 benefits that you have earned a right to receive and that can not be forfeited (called 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

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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).

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

Mr. Michael P. Cecere Jr.
I.B.E.W. Local #86 Fund Office Manager
2300 East River Road
Rochester, New York 14623
(585) 463-3290

For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 16-6085820. 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).