

NOTICE OF YOUR RIGHT TO DEFER RECEIPT OF YOUR BENEFITS UNDER THE HAWAII ELECTRICIANS ANNUITY PLAN

Introduction

This notice, which federal law requires participants to receive prior to electing to commence receipt of benefits, includes important information about your right to defer receipt of your benefits.

Your Normal Retirement Age

Your Normal Retirement Age is age 60.

Benefit Commencement *Prior to Your Normal Retirement Age*

If the value of your individual account balance is greater than \$1,000.00 and you are eligible to receive payment, any distribution of your benefits in a form other than a Qualified Joint and Survivor Annuity requires your consent. And, if the value of your individual account balance is greater than \$5,000.00 and you are married and eligible to receive payment, distribution of your benefits in a form other than the Qualified Joint and Survivor Annuity requires your spouse's consent. (Distribution of account balances that are \$1,000.00 or less in value can be made without any consent.)

If you consent to receive your benefits prior to your Normal Retirement Age, you should be aware of the following consequences that your decision could have on the taxation and accumulation of your benefits. By not deferring receipt of your distribution,

(1) you have to make a rollover to a traditional IRA or eligible employer plan or else be taxed on the amount of the distribution that is not rolled over (refer to the Special Tax Notice for a more detailed discussion on eligible rollover distributions),

(2) a 10% early distribution penalty applies to your taxable distribution if you are under age 59-1/2, except under certain conditions, and

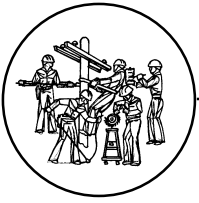
(3) you will forego any future net investment income or loss that would otherwise be credited to your Individual Account if you were to elect to defer taking a distribution (NOTE: Net investment income or losses are allocated as of the last day of each calendar quarter (valuation date) to the Individual Accounts that have not been distributed as of that valuation date.)

Benefit Commencement *On or After Your Normal Retirement Age*

If you continue to work in Covered Employment or you terminate Covered Employment but defer receipt of your benefits, you will continue to have a share of the Plan's net investment income or losses credited to the undistributed balance remaining in your Individual Account as of each valuation date. You should know, however, that if you are a 5% owner-employee, you are required to begin receiving your benefits by April 1 of the calendar year following the calendar year in which you turn age 70-1/2. For all others, you are required to begin receiving your benefits by April 1 of the calendar year following the calendar year in which you turn age 70-1/2 or retire, if later.

Where to Get More Information

Hawaii Electricians Administrative Office
1935 Hau Street, Room 300
Honolulu, Hawaii 96819
Oahu: (808) 841-6169; Neighbor Islands Dial: 1-(800)-622-3830



HAWAII ELECTRICIANS ANNUITY FUND

1935 HAU STREET, ROOM 300 • HONOLULU, HAWAII 96819-5003 • PHONE (808) 841-6169 • FAX 847-4596

ELECTION TO DEFER PAYMENT OF ACCUMULATED SHARE

Name: _____ Soc. Sec. #: _____ - _____ - _____

I, _____, declare that I am eligible to receive my Accumulated Share in accordance with the provisions of Article III, Section 3 of the Hawaii Electricians Annuity Plan Rules and Regulations because:

- I am at least 52 years of age and have retired from employment within the electrical industry.
- I am totally disabled and unable to work at my regular occupation within the electrical industry. (Total disability shall be determined in the sole discretion of the Trustees and they may enact such rules and regulations involving medical examination, documentary proof and other matters, as they shall in their sole discretion determine.)
- I have worked less than 350 hours for a contributing employer within the electrical industry during the past Plan Year ending August 31, 20____.

However, I hereby elect to defer payment of my Accumulated Share until a later date, provided that this election may not postpone payment later than April 1 following the calendar year in which I reach age 70 ½.

I understand that in order for payment of my Accumulated Share to be made at a later date, I must submit an application together with proof of my eligibility at that time for payment of my Accumulated Share.

Signature

Date