Notice to Participants in the National Electrical Annuity Plan

Explanation of Preretirement Surviving Spouse Benefit

If you are married and die before retirement, NEAP will provide your spouse with a Preretirement Surviving Spouse Benefit. Your spouse will receive this benefit if: (1) you have satisfied the minimum eligibility requirement of 160 hours of service; (2) you have a balance in your Individual Account; (3) you die prior to receiving a pension benefit; (4) you are married; and (5) you have not previously declined the Preretirement Surviving Spouse Benefit.

If you are entitled to a Preretirement Surviving Spouse Benefit, NEAP will purchase an annuity contract from an insurance company for your spouse. The annuity contract will pay your surviving spouse a monthly benefit for life. Monthly payments will start within a reasonable period of time after your death. The amount of the monthly benefit depends upon (1) the amount in your Individual Account; (2) your spouse's age (and, therefore, his/her life expectancy and prospective benefit payment period); and (3) the insurance company's price for annuity contracts.

Elections/Consents

If you are under age 35, your spouse will automatically receive the Preretirement Surviving Spouse Benefit upon your death (unless your spouse selects a lump sum payment instead of the annuity). You may not decline the Preretirement Surviving Spouse Benefit unless you have permanently stopped working in Covered Employment.

However, beginning the year you reach age 35 and at any time thereafter, you may decline the Preretirement Surviving Spouse Benefit. Your spouse must consent in writing and the consent must be witnessed by a representative of NEAP or by a notary public. Consent given by a spouse is not effective as to a subsequent spouse.

You may revoke your election to decline the Preretirement Surviving Spouse Benefit at any time. You may again decline the Preretirement Surviving Spouse Benefit at any time by executing the appropriate form and obtaining your spouse's consent. Your spouse may also revoke his/her consent at any time. Contact the Plan Administrator's Office for the appropriate forms.

Lump Sum

If you decline the Preretirement Surviving Spouse Benefit, your Individual Account balance will be paid to your designated surviving beneficiary in a lump sum. If your designated surviving beneficiary is not your spouse, your spouse must also consent to that as well, in order for it to be valid. If you have not designated a beneficiary (or your designated beneficiary is not living at the time of your death), the balance will be paid to the following persons, if living, in the following order of priority: (1) your spouse, (2) your children, (3) your parents, or (4) your estate. The total amount of money received as a lump sum may ultimately be different (either greater or lesser) than the total amount of money your spouse would have received under the Preretirement Surviving Spouse Benefit. This is because the Preretirement Surviving Spouse Benefit is an annuity and depends on the time value of money and how long your spouse lives. Additional information is available from the Plan Administrator’s Office.
2018 Summary Annual Report for the National Electrical Annuity Plan

This is a summary of the annual report for the National Electrical Annuity Plan, #52-6132372, for the year ended December 31, 2018. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Basic Financial Statement

Benefits under the plan are provided by a trust. Plan expenses were $284,641,424. These expenses included $17,688,938 in administrative expenses and $266,952,486 in benefits paid to participants and beneficiaries. A total of 117,261 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 $7,861,656,586 as of December 31, 2018, compared to $7,678,461,343 as of January 1, 2018. During the plan year the plan experienced an increase in its net assets of $183,195,243. This increase 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 $467,836,667, including employer contributions of $630,937,756, gains of ($9,757,703) from the sale of assets, earnings from investments of ($168,138,322), and other income of $14,794,936.

Minimum Funding Standards

Enough 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:

- an accountant's report;
- financial information and information on payments to service providers;
- assets held for investment;
- transactions in excess of 5 percent of plan assets; and
- information regarding any common or collective trusts, pooled separate accounts, master trusts, or 103-12 investment entities in which the plan participates.

To obtain a copy of the full annual report, or any part thereof, write or call the office of the Trustees of the National Electrical Annuity Plan, who are the plan administrators, 2400 Research Boulevard, Suite 500, Rockville, Maryland 20850-3266, (301) 556-4300. The charge to cover copying costs will be $16.25 for the full annual report, or $.25 per page for any part thereof.

You also have the right to receive from the plan administrator, 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 of 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 for 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 at 2400 Research Boulevard, Suite 500, Rockville, Maryland 20850-3266, 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: U.S. Department of Labor, Employee Benefits Security Administration, Public Disclosure Room, 200 Constitution Avenue, NW, Room N-1513, Washington, D.C. 20210.

Lonnie R. Stephenson  Kenneth W. Cooper  David Long  Dennis F. Quebe
NEAP Trustee  NEAP Trustee  NEAP Trustee  NEAP Trustee