

# NORTHERN CALIFORNIA PIPE TRADES TRUST FUNDS FOR UA LOCAL 342

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**TO: ACTIVE PARTICIPANTS**

**RE: CHANGES TO YOUR FUTURE CONTRIBUTIONS AND PLAN EXPENSES FOR THE NORTHERN CALIFORNIA PIPE TRADES SUPPLEMENTAL 401(K) RETIREMENT PLAN (“PLAN”)**

Over the past several months, the Board of Trustees of the Northern California Pipe Trades Supplemental 401(k) Plan (“Plan”) has been evaluating the Plan’s default investment option, which is currently the Balanced Pool Fund, to determine if it continues to be the best option for Plan Participants and how Plan level fees are paid.

This process has led to the decision to invest all future Plan contributions (both 401(a) and 401(k) deferrals) into the American Funds Target Date Funds. This option is known as the Qualified Default Investment Alternative (“QDIA”). As a result, the Target Date Funds will be replacing the Balanced Pool Fund as the Plan’s “default” investment option on future Plan contributions. All current balances will remain unchanged and invested as they are currently. Effective for all contributions received by the Plan on or after February 1, 2022, regardless of whether or not other investment elections have been made, contributions will be invested in an age-appropriate Target Date Fund for each Participant. **No action is required on your part.** If you currently “self-direct” your account investment and would like to continue to do so, you can complete the enclosed Target Date Funds Rejection Request Form and return it to the address shown on the form or email it to info@mammini.com by January 11, 2022.

Target Date Funds are a diversified portfolio of mutual funds designed to take an investor through their working career and continue throughout their retirement. This will mean more exposure to stocks for younger Participants, and as they age, these portfolios will automatically become more conservative. Target Date Funds are designed around a specific retirement date. For example, a Target Date 2025 fund will assume a Participant will retire around 2025, and a Target Date 2040 fund will assume a Participant will retire around 2040. As such, the 2040 fund will be more aggressive today than the 2025 fund. We will be assuming all Participants will be retiring at approximately age 60. Therefore, all future contributions will be invested as follows:

<u>Investment of Future Contributions</u>	<u>Participant Year of Birth</u>
American Funds Target Date 2015	1956 and prior
American Funds Target Date 2020	1957 - 1962
American Funds Target Date 2025	1963 - 1968
American Funds Target Date 2030	1969 - 1974
American Funds Target Date 2035	1975 - 1980
American Funds Target Date 2040	1981 - 1986
American Funds Target Date 2045	1987 - 1992
American Funds Target Date 2050	1993 - 1998
American Funds Target Date 2055	1999 - 2004
American Funds Target Date 2060	2005 and thereafter

This change will provide most Participants with an appropriate investment allocation that is consistent with their age, years until retirement, and during their retirement years. **Please remember this only affects new contributions to the Plan and that current account balances and investments will remain unchanged.**

The Plan will continue to assess Participants who “self-direct” their account to other investment options a \$25 per quarter charge (no change). Also, to spread the Plan fees evenly among the majority of Plan Participants, the Plan will charge an asset-based fee of approximately .0020 percent (about 1/5 of 1 percent) to the Balanced Pool Fund, the three Asset Allocation Models, and the Target Date Funds. This fee is currently only charged to the Balanced Pool Fund. Plan fees include expenses for administration, legal, accounting, audits, investment consulting, and recordkeeping.

For additional information about these changes, please contact the Plan’s Investment Consultant, Mammini Company, at 888/547-6972. In addition, Mammini Company will be hosting a Zoom meeting on Tuesday, January 4, 2022, at 5pm to explain these changes and answer any questions you may have.