FEBRUARY 2017

TO:    ACTIVE AND RETIRED PARTICIPANTS

RE:    SUMMARY OF MATERIAL MODIFICATIONS TO THE
NORTHERN CALIFORNIA PIPE TRADES HEALTH AND WELFARE PLAN (“PLAN”)

The Board of Trustees of the Northern California Pipe Trades Health and Welfare Plan (“Plan”) is pleased to provide you with the following summary of changes and clarifications to the Plan.

A. CLARIFICATION ON ELIMINATION OF PG&E CLASSIFICATION
  Active Participants
  Article II – Effective July 1, 2016

Please note that although Employees working under the PG&E Classification were inactivated in November 2015, Participants who formerly worked under the PG&E Classification may still have had eligibility under the Plan extended through July 2016. Please contact the Trust Fund office if you have questions.

B. ELIGIBILITY FOR RESIDENTIAL & LIGHT COMMERCIAL EMPLOYEES
  Active Participants (and Dependents)
  Article III Section A– Effective September 1, 2016

Effective September 1, 2016, new Employees and their eligible Dependents under the Residential and Light Commercial Agreement for New Construction will be eligible for the Kaiser Permanente HMO Health Plan option, life insurance, dental, orthodontic and vision benefits under the Plan.

2b. Employees Working Under Residential Agreement (including Residential and Light Commercial Agreement for New Construction). A new Employee is a member in good standing of UA Local 342 and working in Covered Employment under the Residential Agreement and/or Residential and Light Commercial Agreement for New Construction will become covered under the Plan on the first day of the second calendar month following the month in which the Employee accumulates 120 hours of Covered Employment in a period of six (6) consecutive months.

  EXAMPLE 1: You work 120 hours in January. February is a lag month. Your coverage would begin March 1st.

  EXAMPLE 2: You work 60 hours in January and 60 hours in February. March is a lag month. Your coverage would begin April 1st.

If a new Employee fails to accrue the required 120 hours by the end of a six consecutive month period, starting with the first month in which the Employee first performs Covered Employment, the Employee shall lose the hours earned in the first month and the succeeding month shall be treated as the first month in which the Employee performed Covered Employment, for the purpose of qualifying for initial eligibility.

Effective January 1, 2015 (for existing and new Employees working under the Residential Plumbing Agreement) and effective September 1, 2016 (for existing and new Employees working under the Residential and Light Commercial Agreement for New Construction) the following provisions apply:

1. Existing and New Employees (including their eligible Dependents) may only enroll in the Kaiser HMO Health Plan (which includes Medical and Prescription Benefits) and are entitled to Hearing Aid Benefits
(through Kaiser), Life Insurance, Dental, Orthodontic, and Vision Benefits. However, the bargaining parties have discretion to waive the Kaiser enrollment requirement for existing Employees under limited special circumstances.

2. Existing and New Employees are NOT entitled to Jury Duty Benefits or Retiree Health and Welfare Benefits because of their lower contribution rate.

The eligibility requirements and other rules in this section are subject to change by agreement of the bargaining parties and/or the Board of Trustees at any time.

Employees under the Residential Agreement (including the Residential Light Commercial Agreement) may be entitled to **Active Subsidized Self-Pay** for up to 4 consecutive months with an overall maximum of six (6) months in a consecutive 36 month period.

4b. **Residential Agreement (including Residential and Light Commercial Agreement for New Construction) - 3 Month Reserve Hour Bank.** When a Covered Employee working under the Residential Agreement (including Residential and Light Commercial Agreement for New Construction) accumulates at least 120 hours during a month, any hours in excess of 120 are banked in his or her Reserve Hour Bank to provide coverage for a later month when the Employee is not working sufficient hours. Up to 120 hours will be deducted from the Reserve Hour Bank to provide each month's coverage. A **Participant may accumulate excess hours to a maximum of 360 hours or three (3) months.**

A Residential Employee (including Residential and Light Commercial Agreement for New Construction) who has worked at least 1200 hours in each of the preceding two (2) calendar years, and who has March eligibility through hours worked or his or her Reserve Hour Bank, will receive up to 360 hours (3 months) in his or her Reserve Hour Bank. This benefit is reviewed annually every March. Once you qualify for this benefit you can continue to accumulate up to the 360 hours (3 months) maximum.

**EXAMPLE:** In March 2017, if you worked at least 1200 hours in each of the preceding two calendar years (2015 and 2016), you will automatically be granted up to 360 hours (3 months) in your Reserve Hour Bank.

### C. PATIENT PROTECTION AND AFFORDABLE CARE ACT

**Active and Retired Participants (and Dependents)**

**Article XII – Effective September 1, 2016**

Effective September 1, 2016, to comply with the requirements of the Patient Protection and Affordable Care Act (“Act”) Section 1557 Nondiscrimination rules, the Plan was amended to prevent covered entities from discriminating against or refusing to treat an individual on the basis of race, color, national original, sex (including gender identity, pregnancy, and sex stereotyping), age, or disability.

### D. JURY DUTY BENEFITS

**Certain Active Participants**

**Article XVIII Sections 1 and 3 – Effective December 1, 2016**

Effective December 1, 2016, the time limit for submitting an Application for Jury Duty benefits is increased from “30” to “60” days and the requirement for Participants to be eligible based on Disability Extension is eliminated.

1. **Eligibility Requirements:** To be entitled to “Jury Duty” Benefits, an Employee, at the time of Jury Duty, must:
   - (i) Be a member of a Collective Bargaining Unit represented by UA Local 342; and
   - (ii) Be a current member of UA Local 342; and
   - (iii) Be eligible for Health and Welfare Benefits in the month that Jury Duty begins (excluding COBRA); and
   - (iv) Meet all Plan requirements under a classification that qualifies for Jury Duty Benefits; and
Meet either (a) or (b) of the following requirements:

a) The Participant must:
   (i) Be actively employed under a UA 342 Collective Bargaining Agreement or registered on UA Local 342’s out-of-work list for employment or actively employed on a travel card; and
   (ii) Credited with at least 1000 hours worked in Covered Employment reported during the 36 work months immediately preceding the month listed on the Jury Duty Summons (e.g., Jury Duty summons date lists February; therefore the 36 look month period would begin with December work hours reported in January); or

b) Be disabled from Covered Employment under a UA Local 342 Collective Bargaining Agreement due to: (1) an occupational disability for which State Disability Insurance is being received or (2) receipt of Worker’s Compensation by reason of an injury suffered while working in Covered Employment for an Employer signatory to a Collective Bargaining Agreement with UA Local 342.

3. **File Application within 60 days, W-4 (Federal) Form and DE-4 (California State) Form:** Jury Duty Benefits Applications are processed by UA Local 342; however, payment is issued by the Trust Fund Office on behalf of the Plan. An Application for benefits (including all other required documentation) must be received by the UA Local 342 Office within sixty (60) days after completion of any Jury Duty service. Any Employee seeking Jury Duty benefits must timely submit any information requested by UA Local 342 and/or the Trust Fund Office. The Plan has total and absolute discretion in making determinations hereunder. In addition, you must also timely complete, sign, and return the Form W-4 Federal Income Tax Withholding Form to the Trust Fund Office. Under IRS and State tax rules, the Jury Duty Benefit is a wage and considered taxable income. Failure to complete the Form W-4 will result in taxes being withheld using the single and zero deductions withholding under IRS and State tax rules. There is also a DE4 Form for California state taxes which is not mandatory but may also be completed if the exemptions are to be different from your Federal exemptions. To obtain an Application, please contact the UA Local 342 Office at 925/686-5880.

IN ACCORDANCE WITH THE REQUIREMENTS OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), THIS DOCUMENT SERVES AS A SUMMARY OF MATERIAL MODIFICATIONS (“SMM”) TO THE PLAN AND SUPPLEMENTS THE RESTATED SUMMARY PLAN DESCRIPTION/PLAN DOCUMENT THAT HAS BEEN SEPARATELY PROVIDED TO YOU. YOU SHOULD RETAIN THIS DOCUMENT WITH YOUR COPY OF THE RESTATED SUMMARY PLAN DESCRIPTION/PLAN DOCUMENT.

If you have any questions, please contact the Trust Fund Office toll free at 800/780-8984 ext. 246.

Respectfully submitted,
Fund Manager
On Behalf of the Board of Trustees
Effective September 1, 2016, the Summary of Agreements and Benefits has been modified to incorporate language on certain Classifications that are only permitted enrollment in the Kaiser Permanente HMO Health Plan option (“Kaiser”).

Please review the table according to your classification. If a “YES” appears in the Benefit column, you may be eligible to receive this benefit should you meet the Plan requirements as defined in the Summary Plan Description (“SPD”) booklet. If a “NO” appears in the Benefit column, you are not eligible for these benefits. Please refer to the SPD booklet for additional details and eligibility requirements.

All Incoming Reciprocal contributions/hours are prorated at the standard Master Labor Agreement Contribution rate for Active coverage. Please refer to Article IV of the SPD for additional information.

<table>
<thead>
<tr>
<th>Classification</th>
<th>Initial Eligibility Requirement</th>
<th>Hours Required for Monthly Eligibility</th>
<th>Reserve Hour Bank</th>
<th>Jury Duty</th>
<th>Active Subsidized Self-Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACTIVE (MLA + Others)</td>
<td>300 hours in consecutive 6-mos.</td>
<td>125</td>
<td>6-mos. Max (750 hours)</td>
<td>YES</td>
<td>12-mos. Max &amp; overall 18-mos. Max in rolling 36 month period</td>
</tr>
<tr>
<td>HELPER (MLA+ Others)</td>
<td>125 hours in consecutive 6-mos.</td>
<td>125</td>
<td>2-mos. Max (250 hours)</td>
<td>NO</td>
<td>4-mos. Max &amp; overall 6-mos. Max in rolling 36 month period</td>
</tr>
<tr>
<td>SHORTLINE (Effective 9-1-2015 Helpers were allowed KAISER ONLY)</td>
<td>300 hours in consecutive 6-mos.</td>
<td>125</td>
<td>6-mos. Max (750 hours)</td>
<td>YES</td>
<td>12-mos. Max &amp; overall 18-mos. Max in rolling 36 month period</td>
</tr>
<tr>
<td>RESIDENTIAL (KAISER ONLY)</td>
<td>120 hours in consecutive 6-mos.</td>
<td>120</td>
<td>1 mo max -OR- 3-mos. Max (360 hours) if worked 1200 hours in each of the preceding 2 calendar years</td>
<td>NO</td>
<td>4-mos. Max &amp; overall 6-mos. Max in rolling 36 month period</td>
</tr>
<tr>
<td>RESIDENTIAL LIGHT COMMERCIAL (RLC) (KAISER ONLY)</td>
<td>120 hours in consecutive 6-mos.</td>
<td>120</td>
<td>1 mo max -OR- 3-mos. Max (360 hours) if worked 1200 hours in each of the preceding 2 calendar years</td>
<td>NO</td>
<td>4-mos. Max &amp; overall 6-mos. Max in rolling 36 month period</td>
</tr>
<tr>
<td>TRADESMAN (KAISER ONLY)</td>
<td>300 hours in consecutive 6-mos.</td>
<td>125</td>
<td>NONE -OR- 2-mos. Max (if worked 800 hours granted 1 mo.; plus 1 additional mo. after working 1600 hours)</td>
<td>NO</td>
<td>4-mos. Max &amp; overall 6-mos. Max in rolling 36 month period</td>
</tr>
<tr>
<td>SERVICEMAN (Other Applicable Agreements) (KAISER ONLY)</td>
<td>300 hours in consecutive 6-mos.</td>
<td>125</td>
<td>6-mos. Max (750 hours)</td>
<td>NO</td>
<td>4-mos. Max &amp; overall 6-mos. Max in rolling 36 month period</td>
</tr>
<tr>
<td>NON-BARGAINING</td>
<td>1 HW Flat Rate Contribution</td>
<td>1 HW Flat Rate</td>
<td>NONE</td>
<td>NO</td>
<td>NO</td>
</tr>
<tr>
<td>UA NATIONAL DISTRIBUTION AGREEMENT (Effective 9-1-15 KAISER ONLY)</td>
<td>300 hours in consecutive 6-mos.</td>
<td>125</td>
<td>6-mos. Max (750 hours)</td>
<td>NO</td>
<td>12-mos. Max &amp; overall 18-mos. Max in rolling 36 month period</td>
</tr>
</tbody>
</table>