SEPTEMBER 2018

TO: ACTIVE 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, called a Summary of Material Modification (“SMM”). Please review the important changes below.

A. ELIGIBILITY FOR EMPLOYEES WORKING UNDER SAFETY ATTENDANT CLASSIFICATION – Plan Amendment

Active Participants (and Dependents) ONLY
Article III Section A of the Restated Plan – Effective December 1, 2017

Effective December 1, 2017, Employees (and their eligible Dependents) working under the Safety Attendant Agreement (Level 2 through 4 classifications ONLY) will be eligible for the Kaiser Permanente HMO Health Plan option, Life Insurance, Dental, Orthodontic, and Vision benefits under the Plan. NOTE: Employees working under the Safety Attendant Level 1 classification do not have Plan benefits.

2.a. Employees Working Under Master Labor Agreement, Shortline Agreement, and Certain Other Applicable Agreements. Employees working under the Master Labor Agreement, Shortline Agreement, and certain Other Applicable Agreements are entitled to Disability Extension (which was eliminated effective December 1, 2015), Jury Duty, and Retiree Health and Welfare Benefits. Employees under the Master Labor Agreement (“MLA”) may be entitled to Active Subsidized Self-Payments for up to 12 consecutive months with an overall maximum of 18 months in each month’s previous consecutive thirty-six (36) month period (i.e. rolling 36 months). EXAMPLE: If a Participant loses coverage in December 2018, the Plan would look at the number of Active Subsidized Self-Payments made by the Participant in the 36 month period through December 2018 (January 2016 through December 2018).

MLA Helpers, Shortline Helpers and Safety Attendant Levels 2 through 4 Classification. All Helpers working under the MLA, Shortline, and Safety Attendant Agreements (and their eligible Dependents) must enroll in the Kaiser Plan option, which includes Medical, Prescription, and Residential Treatment benefits.

U.A. National Distribution Agreement Employees. All Employees (including, but not limited to, Journeymen, Welders, Fitters, Fusers, and Helpers) working under the U.A. National Distribution Agreement (and their eligible Dependents) must enroll in the Kaiser Plan option, which includes Medical, Prescription, and Residential Treatment benefits.

2.c. Employees working under the Helper (MLA) Classification and Safety Attendant Levels 2 through 4 Classification. An Employee who is a member in good standing of UA Local 342 and working in Covered Employment under the Helper (MLA) classification or Safety Attendant Levels 2 through 4 classification will become covered under the Plan on the first day of the second calendar month following the month in which the Employee works 125 hours. NOTE: Safety Attendant Level 1 classification does not have Plan benefits.

EXAMPLE 1: You work 125 hours in January. February is a lag month. Your coverage would begin March 1st.

EXAMPLE 2: You work 65 hours in January and 60 hours in February. March is a lag month. Your coverage would begin April 1st.
There is a maximum two (2) month Reserve Hour Bank for Employees working under the Helper classification and Safety Attendant classification. Employees working under the Helper classification and Safety Attendant classification may be entitled to **Active Subsidized Self-Payments** for up to four (4) consecutive months with an overall maximum of six (6) months of Active Subsidized Self-Payments in each month’s previous consecutive thirty-six (36) month period (i.e. rolling 36 months). EXAMPLE: If a Participant loses coverage in December 2018, the Plan would look at the number of Active Subsidized Self-Payments made by the Participant in the 36 month period through December 2018 (January 2016 through December 2018).

Employees working under the Helper classification and Safety Attendant classification are NOT entitled to Jury Duty or Retiree Health and Welfare Benefits because of their lower contribution rate.

4.d. **Helper (MLA) Classification and Safety Attendant Levels 2 through 4 Classification - 2 Month Reserve Hour Bank.** When a Covered Employee working under the Helper classification or Safety Attendant Levels 2 through 4 classifications accumulates at least 125 hours during a month, any hours in excess of 125 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 125 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 250 hours (2 months).

### B. CONTINUATION OF COVERAGE (Active Participants Only)

**ACTIVE SUBSIDIZED SELF-PAYMENTS FOR EMPLOYEES WORKING UNDER SAFETY ATTENDANT CLASSIFICATION – Plan Amendment**

**Active Participants ONLY**

**Article X Section A.2. of the Restated Plan – Effective December 1, 2017**

Effective December 1, 2017, Employees working under the Safety Attendant Agreement (Level 2 through 4 classifications ONLY) may be eligible to make Active Subsidized Self-Payments. **NOTE:** Employees working under the Safety Attendant Level 1 classification do not have Plan benefits.

2. **Special Plan Rules for Residential and Tradesman/Serviceman, MLA Helpers, Safety Attendant Levels 2 through 4 and Other Special Contract Employees to be eligible to make Active Subsidized Self-Payments:**

   i. Must be a member in good standing with UA Local 342; and
   
   ii. Is not (and has not) performed non-covered work in the Pipe Trades Industry; and
   
   iii. Must be either: (a) disabled for at least 14 consecutive days in the calendar month prior to his/her loss of coverage and receiving either Workers’ Compensation Benefits, State Disability Insurance Benefits; or Social Security Disability Benefits; or (b) be on UA Local 342’s out-of-work list and be available for work; or (c) have returned to work and are working short hours; and
   
   iv. Must have been covered under the Plan for at least twelve (12) consecutive months immediately preceding the loss of coverage based on: (a) hours worked in a Classification/Contract that provides this benefit; and/or (b) Reserve Hour Bank based on a Classification/Contract that provides this benefit; and/or (c)-months of extended coverage under the Disability Extension Benefit (which was eliminated effective December 1, 2015); and/or (d) Active Subsidized Self-Payment (excluding COBRA coverage) - or - the Participant worked a minimum of 1500 hours in a Classification/Contract that provides this benefit during the 24 months immediately preceding the Participant’s coverage termination date; and
   
   v. Participant and/or current or former Spouse and/or other Dependent must not owe any money (unless on an approved payment plan) to the Northern California Pipe Trades Health and Welfare Plan, the Northern California Pipe Trades Pension Plan, the Northern California Pipe Trades Supplemental 401(k) Retirement Plan or any other entity administered by the Northern California Pipe Trades Trust Fund Office; and
   
   vi. Must have their monthly payment(s) received at the bank no later than the 20th day of the coverage month.

A Participant may be eligible for up to a maximum of four (4) consecutive months of Active Subsidized Self-Payments. Participants may receive an overall maximum of six (6) months of Active Subsidized Self-Payments in each month’s previous consecutive thirty-six (36) month period (i.e. rolling 36 months). EXAMPLE: If a Participant loses coverage in December 2018, the Plan would look at the number of Active Subsidized Self-Payments made by the Participant in the 36 month period through December 2018 (January 2016 through December 2018).

After exhausting Active Subsidized Self-Payments, the eighteen (18) month COBRA continuation period will be reduced by the number of Active Subsidized Self-Payments made. After exhausting Active Subsidized Self-Payments, if a Participant chooses to continue coverage through COBRA, he/she may only elect the Core Coverage option (Medical and
Prescription Drug coverage) for the remaining months. EXAMPLE: *If a Participant is eligible to make four (4) months of Active Subsidized Self-Payments, after exhausting Active Subsidized Self-Payments, he/she may continue to make COBRA payments for Core Coverage for up to an additional fourteen (14) months.*

**C. SUMMARY OF AGREEMENTS AND BENEFITS – Plan Amendment**  
**Article II of the Restated Plan – Effective December 1, 2017**

Effective December 1, 2017, the Summary of Agreements and Benefits has been modified to incorporate language on the Safety Attendant classification.

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><strong>ACTIVE</strong> (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><strong>SHORTLINE</strong> (Helpers - KAISER ONLY)</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><strong>HELPER</strong> (MLA+ Others) (KAISER ONLY)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SAFETY ATTENDANT</strong> (Levels 2 through 4) (KAISER ONLY)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NON-BARGAINING</strong></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><strong>RESIDENTIAL</strong> (KAISER ONLY)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>RESIDENTIAL LIGHT COMMERCIAL (RLC)</strong> (KAISER ONLY)</td>
<td>120 hours in consecutive 6-mos.</td>
<td>120</td>
<td>1 mo. Max (120 hours) -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><strong>SERVICEMAN</strong> (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><strong>TRADESMAN</strong> (KAISER ONLY)</td>
<td>300 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><strong>UA NATIONAL DISTRIBUTION AGREEMENT</strong> (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>
D. ELIGIBLE DEPENDENTS (Domestic Partner and Domestic Partner’s Children) – Plan Amendment
Active Participants ONLY
Article VII Section C.5. of the Restated Plan – Effective August 1, 2018

Effective August 1, 2018, the Imputed Income Tax section of the Plan rules has been amended to reflect that partial payments and/or credits under $10.00 and/or erroneous payments may not be refunded if not reclaimed within 30 days of receipt of payment. Please note, it is your responsibility to pay the CORRECT amount of imputed income taxes due a month in advance of the month of eligible provided for domestic partnership health coverage.

5. Imputed Income Taxes. The Plan Participant is responsible for monthly payment in full of imputed income taxes for coverage of a Domestic Partner and a Domestic Partner’s Child(ren). Full payment of the correct amount of the imputed income taxes is due one month in advance of the month eligibility is provided. Failure to pay the imputed income taxes in full by the due date, will result in the Domestic Partner’s and Domestic Partner Child(ren)’s immediate termination of coverage, effective the last day of the month in which the full imputed income tax payment is not received.

Rates are subject to change and payment amounts received in excess of the current coverage month’s imputed income tax payment may not be accepted and may be refunded to the payee. Please be aware that partial payments and/or credits under $10.00 and/or erroneous payments may not be refunded if not reclaimed within 30 days of receipt of the payment by the Plan. If the Plan Participant and Domestic Partner marry, a refund of the imputed income tax payment made for the month in which the marriage occurred may not be eligible for a refund.

Since the value of Domestic Partner Plan benefits is considered imputed income, it must be reported to the Internal Revenue Service and the Plan will issue a W-2 in January of the following year reflecting the taxable value of Plan benefits for the year and the total amount in tax payments paid during the year.

E. DEATH AND ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS – Plan Amendment
Active Participants ONLY
Article XIX Section l of the Restated Plan – Effective September 1, 2018

Since there is no benefit to the Plan and because of the cost-saving to the Plan, effective September 1, 2018, the Plan is eliminating the waiver of premium provision (which waived the premium for those Participants with coverage while disabled), the Plan is removing items relating to the waiver of premium and renumbering this section of the Summary Plan Description/Plan Document:

1. Life Insurance Benefit for Active Employees:
   a. Basic Death Benefit. A $25,000 death benefit is payable to the designated beneficiary of a Covered Employee in the event of the Employee’s death from any cause-on the job or off-while the Employee is eligible for benefits under this Plan. The Board of Trustees is authorized to enter into an agreement with a life insurance company or other entity to provide such benefits or to self-fund such benefits directly from the Plan. (This benefit is not applicable for Retirees.)

   b. Exclusions. No benefits would be payable if the loss results from:
      (1) Suicide or intentional self-inflicted injury, while sane or insane;
      (2) War, or an act of war, whether or not declared;
      (3) Participation in the commission of a felony or being engaged in any illegal activity. No criminal conviction is required for this exclusion to apply; or
      (4) Insurrection or riot.

      For any benefits provided by a life insurance company or other entity, there may be additional exclusions as prescribed in any agreement entered into between the life insurance company or other entity and the Board of Trustees.

   c. Facility of Payment. If, in the opinion of the Trustees, any person who is eligible to receive payments under this Plan is legally, physically, or mentally incapable of personally signing and acknowledging any such payment, the
Trustees may direct payments to such other person, persons or institutions, who have been duly appointed guardian or other legal representative of such payee. Such payments, to the extent thereof, will constitute a full discharge of the liability of the Trust Fund and of the Trustees under the Plan.

d. **Conversion Features.** For any benefits provided by a life insurance company or other entity, you may be eligible for conversion to an individual policy, without proof of good health, due to termination of employment, retirement, or moving to a class not eligible for group life coverage. The Employee or Employee’s representative must submit the application and a minimum of one quarterly premium to the insurance company or other entity within 31 days after the date your coverage terminates.

e. **Beneficiary Designation.**

(1) Any person(s) may be named by the eligible Employee as the Designated Beneficiary and the designation may be changed at any time by completing the proper form. If a Beneficiary Designation Form has not been filed with the Trust Fund Office, or if the Employee wishes to change his or her Beneficiary, he or she must obtain a Beneficiary Designation Form and submit it to the Trust Fund Office.

(2) If no Beneficiary is designated or the Beneficiary predeceases the Employee, payment will be made to the first surviving class of the following classes of successive preference:
   i. The Employee's Spouse;
   ii. The Employee’s Surviving Child(ren);
   iii. The Employee's Surviving Parent(s);
   iv. The Employee's Surviving Brothers and Sisters; or
   v. The Employee's Estate.

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 at 925/356-8921 ext. 246.

Respectfully submitted,
Fund Manager
On Behalf of the Board of Trustees