

NORTHERN CALIFORNIA PIPE TRADES PENSION PLAN

SUMMARY PLAN DESCRIPTION (“SPD”)

FOR MEMBERS OF UA LOCAL 342



May 2019

KEEP THIS BOOKLET FOR FUTURE REFERENCE

NORTHERN CALIFORNIA PIPE TRADES PENSION PLAN

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Dear Participant:

We are pleased to provide this restated Plan booklet, known as a Summary Plan Description (“SPD”), for the Northern California Pipe Trades Pension Plan (“Plan”). The Plan provides Retirement Benefits for members of UA Local 342 and others working under associations (and some individual employers). The Plan is designed to provide you with a source of income during retirement. Information is also available on the Trust Fund website: www.ncpttf.com.

This SPD incorporates changes that have been made since the last SPD issued and replaces any other SPDs you may have previously received.

This booklet summarizes the key provisions of the Plan including how you earn benefits, when you may commence receiving your benefits, and the choices you have when your benefits are paid to you. The formal text of the Plan controls eligibility, benefit payments, and other aspects of the Plan. **If there is a conflict between this booklet and the Plan, the Plan will govern.**

We recognize that the Plan is complex, and we encourage each Participant to contact the Trust Fund Office if you have questions.

You are encouraged to read this booklet carefully. Moreover, if married, you may want to discuss the benefits, options, and other rules with your spouse.

Over the years a Participant may earn a substantial pension to which you or a named Beneficiary may be entitled. Please submit a completed Beneficiary Form to the above address and notify the Plan of any address changes.

Only the Board of Trustees is authorized to interpret the Plan described in this booklet. The Board of Trustees has the full discretionary authority to determine eligibility for benefits, claims and appeals, and to construe and interpret the Plan and related documents, and any rules.

Please contact the Trust Fund Office (“TFO”) if you have questions or need additional information.

Sincerely,

Board of Trustees

TABLE OF CONTENTS

INTRODUCTORY PAGE		i
TABLE OF CONTENTS		ii-iv
TRUSTEES AND PLAN ADVISORS		v
IMPORTANT NOTICES		vi
QUESTIONS AND ANSWERS		vii
I. BACKGROUND AND TYPE OF PLAN		1
II. ADMINISTRATION OF THE PLAN/INVESTMENTS		1
III. BECOMING A PARTICIPANT		2
A. Participation.....		2
B. Non Bargaining Unit Employees.....		2
IV. ELIGIBILITY, ACCRUAL AND AMOUNT OF BENEFITS		3
A. Earning Benefits.....		3
B. Vesting Credits/Benefit Credits.....		3
C. Amount of Retirement Benefits.....		5
D. Annual Statement of Your Benefits.....		7
E. Why Does It Take So Long to Receive an Annual Statement?.....		7
F. Credit for Certain Military Service.....		8
V. VESTING		9
A. Vesting Rules.....		9
B. How to Become Vested.....		9
C. Vesting Credit.....		9
VI. BREAKS IN SERVICE		11
A. Permanent Breaks in Service ("PBIS") Rules.....		11
B. Grace Periods to Break in Service Rules.....		12
C. Requirements for Break in Service Waiver.....		13
D. Family and Medical Leave Act Requirements.....		13
VII. EMPLOYER CONTRIBUTIONS		14
VIII. RECIPROCAL AGREEMENTS WITH OTHER PENSION PLANS		14
A. "Money Follows the Person".....		14
B. Pro-Rata Reciprocity.....		15
C. Procedures for Reciprocity.....		15
IX. APPLICATION AND TYPES OF RETIREMENT FOR BENEFITS		15
A. Application and Payment of Benefits.....		15
B. Types of Retirement.....		16
1. Normal Retirement.....		16
2. Early Reduced Retirement.....		17

3. Disability Retirement	18
4. Special Disability -Terminal Medical Condition	21
5. Service Unreduced Early Retirement	21
6. Postponement of Retirement	22
X. FORMS OF BENEFIT PAYMENTS	22
A. Married Participants/Registered Domestic Partner-Joint and Survivor Annuity	22
B. Important Facts About the Joint and Survivor Annuity.....	24
C. Normal Form of Benefit-Single Participant	25
D. Benefit Options.....	25
E. One Month Payment to Surviving Spouse Upon Death in Limited Situations	27
F. Discretionary Additional Payments/COLA	27
G. Interest on Certain Delayed Payments	27
H. Payments to a Minor.....	27
I. Survivor Benefits Under Qualified Military Service	27
XI. RETURNING TO WORK IN THE PIPE TRADES INDUSTRY - SUSPENSION OF RETIREMENT BENEFITS	27
XII. IRS PENSION DISTRIBUTION RULES.....	32
A. Required Distributions at Age 70.5 Based on IRS Rules.....	32
B. Rights of Former Spouse	32
C. No Assignments (with minimal exceptions, such as an IRS Levy and/or a QDRO) ..	33
D. Overpayments Recoverable by the Plan.....	33
XIII. DEATH BENEFITS/PRE-RETIREMENT SURVIVOR BENEFITS	34
A. Qualified Pre-Retirement Surviving Annuity ("QPSA")	34
B. Lump Sum Death Benefit (For Single Vested Participants-Optional for Married Participants	35
XIV. DESIGNATION OF BENEFICIARY	36
XV. DEFERRAL OF TAXES/TAX WITHHOLDING/ROLLOVERS.....	37
A. Deferral of Taxes.....	37
B. Tax Withholding Rules on Monthly Pension Payments.....	37
C. Rollovers.....	37
D. Many Distributions/Payments Not Eligible for Rollover.....	37
XVI. POTENTIAL LOSS AND/OR DELAYED PAYMENT OF BENEFITS	38
A. Insufficient Pension Credit (Not Eligible for Benefits).....	38
B. Inadequate or Improper Evidence.....	38
C. Domestic Relations Order Approved by Court (Divorce or Child/Family Support Order)	38
D. Break in Service (failure to work in Covered Employment).....	38
E. Prohibited Employment in the Pipe Trades Industry.....	38
F. Retire, Return to Work, and Retire Again.....	38
G. Fail to File Complete Application	38
H. Incomplete Information/False Statements	39
I. IRS Benefit/Contributions Limits	39

J. Death.....	39
K. Pension Protection Act ("PPA") under federal law	39
L. Refund Overpayments	39
M. Beneficiary Dispute-Potential Interpleader Action.....	39
N. Plan Termination	39
XVII. CLAIMS AND APPEALS PROCEDURES.....	40
A. Claims and Appeals Procedures	40
B. Your Right to Appeal.....	40
C. Your Right to Information.....	40
D. How to Appeal.....	40
E. Time Limits to File Your Appeal.....	41
F. The Board's Decision on Your Appeal	41
G. Additional Information.....	41
H. Disability Claims and Appeals	41
I. One year Limitation Period for Filing Lawsuits	42
XVIII. AMENDMENTS/TERMINATION/MERGE OF PLAN.....	42
A. Amendment of Plan.....	42
B. Merger or Consolidation.....	42
C. Termination of Plan	42
D. Benefit Guaranty/PBGC Guarantees Certain Benefits.....	43
XIX. ADDITIONAL INFORMATION REQUIRED BY ERISA.....	43
A. Name and Type of Plan	43
B. Plan Administrator.....	44
C. Agent for the Service of Legal Process	44
D. Plan Year	44
E. Employer Identification Number	44
F. Funding Contributions and Collective Bargaining Agreements	44
G. Fund Medium/Investments.....	44
H. Gender and Number	44
STATEMENT OF ERISA RIGHTS	45

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IMPORTANT NOTICES

LIMITATION UPON RELIANCE ON BOOKLET AND STATEMENTS

This booklet provides a brief, general summary of the Plan rules. It is not intended to cover all the details of the Plan. Nothing in this SPD is meant to interpret or change the Plan provisions. Each Participant should review the Plan to fully determine one's rights. The Plan is available for review by any Participant at the Trust Fund Office upon written request.

A Participant is not entitled to rely upon oral statements of representatives of the Trust Fund Office, any Trustee, an employer, any union officer, or any other person. If a Participant should wish an interpretation of the Plan, the Participant should address such request in writing to the Board of Trustees. To make its decision, the Board of Trustees must be furnished with full and accurate information concerning the situation of the Participant making such request. **As a courtesy, a Plan Representative may respond orally to questions; however, oral information and answers are not binding upon the Plan and cannot be relied upon in any dispute concerning benefits and/or the Plan.**

Each Participant should further understand that, from time to time, there may be an error in a statement, letter, or other communication that one may receive which may be corrected upon an audit or review. The Board of Trustees reserves the right to make such corrections.

CAUTION: FUTURE AMENDMENTS

Future amendments to the Plan may have to be made from time to time to comply with federal laws, rulings by federal agencies, and/or courts and other changes deemed necessary or prudent by the Board of Trustees. Participants will be notified when material amendments to the Plan are made. Before deciding to retire, you should contact the Trust Fund Office to determine if there have been Plan changes or other developments that may affect your retirement decision.

CONSULT WITH TAX ADVISOR

Plan representatives do not provide tax advice or indicate how a Participant should receive benefits. You should discuss with a tax advisor the tax consequences of any selection of a benefit option.

ONE YEAR TO FILE A LAWSUIT

If a claim for benefits has been denied and a Participant has filed an appeal which is also denied, or there should be a different type of adverse determination, the affected Participant shall have one year from the date of denial of the appeal or adverse determination to file a lawsuit seeking to overturn the appeal and/or adverse determination. **Failure to do so means that the affected Participant will not be able to file a lawsuit.**

I. BACKGROUND AND TYPE OF PLAN/FUNDING STATUS

The NCPT Pension Plan is a multi-Employer, collectively bargained Defined Benefit Pension Plan which provides Retirement Benefits for vested Covered Employees who meet the eligibility requirements of the Plan and who work for Employers that contribute to the Plan.

This Plan was formed on January 1, 1994, by UA Local 342 and the following Employer Associations:

- 1) Northern California Mechanical Contractors Association; and
- 2) UMIC, Inc. - Industrial Contractors

This Plan is a successor to the Bay Area Pipe Trades Pension Plan for members of UA Local 342 and prior local pension plans which may have had different plan years and rules. Certain assets and liabilities of the Bay Area Pipe Trades Pension Plan were transferred to this Plan.

Benefits under the prior UA Local 444 Pension Plan (in existence prior to July 1, 1976) are funded through and paid by New York Life Insurance Company, Group Annuity Division, 51 Madison Avenue, New York, New York 10010. Other benefits are paid by the NCPT Trust Fund Office ("TFO").

The Plan is funded from Employer contributions and earnings on the assets of the Plan. Employee contributions are not required nor permitted, and Participants do not have individual accounts with this Plan. The Collective Bargaining Agreement(s) between UA Local 342 and the Employer Associations requires Employers to contribute to the Plan at fixed rates per hour for each hour worked by their Covered Employees.

The Plan is governed by a federal law known as the Employee Retirement Income Security Act ("ERISA"), as amended. Certain pension benefits are insured under the Federal Pension Benefit Guaranty Corporation ("PBGC") of ERISA.

The Plan was in Green Zone Status in 2018 under a federal law known as the Pension Protection Act ("PPA") as the **Plan is over 100% funded. The funding level changes each year.** Each year the Plan provides Participants with an Annual Funding Notice that summarizes the funded status of the Plan as of December 31 of the prior year. The most recent notice can be obtained on the Trust Fund website.

II. ADMINISTRATION OF THE PLAN/INVESTMENTS

The Plan is administered by a Board of Trustees comprised of up to ten Trustees. One-half of the Trustees, called "Employer Trustees", are selected by the Employer Associations signatory to Collective Bargaining Agreements with UA Local 342 and one-half of the Trustees, called "Union / Labor Trustees", are selected by the membership of UA Local 342. The Trustees are listed on page v of this booklet.

The Trustees have many powers and functions including investing the assets of the Plan, interpreting Plan provisions, amending the Plan, deciding policy questions, and contracting with advisors and consultants, such as an Auditor, Actuary, Legal Counsel, or Investment Consultant.

The Plan, which is self-administered, is located at the office of UA Local 342 as follows:

935 Detroit Avenue, Suite 242A
Concord, CA 94518-2501

Only the Board of Trustees, and its authorized representative(s), is authorized to interpret the Plan. No one else can interpret this Plan or act as an agent for the Board of Trustees; this includes Employers, Employer Associations, the Union and their representatives. The Board of Trustees (and persons or entities appointed or so designated by the Board) has the full discretionary authority to determine eligibility for benefits and to construe the terms of the Plan (and other documents pertaining to the Plan and Trust) and any rules adopted by the Trustees.

Investments. The Board has contracted with an Investment Consultant (Verus) to assist in the preparation of an investment policy statement and select investment managers for the Plan. The Board of Trustees has contracted with different investment managers to prudently invest Pension Plan assets in accordance with the Investment Policy adopted by the Board of Trustees. Investments are diversified among fixed income securities, real estate, common stocks, and other types of assets.

Auditor. The Board of Trustees has contracted with Lindquist LLP, a certified public accounting firm, to audit the assets of the Plan each year (January-December Plan Year).

III. BECOMING A PARTICIPANT

A. Participation

You become a Participant as of the end of the first Plan Year during which at least 300 hours of Covered Employment are worked. Covered Employment is employment by an Employer that is required by a Collective Bargaining Agreement with UA Local 342 to make contributions to the Plan on your behalf for such employment (or a Subscription Agreement entered by an Employer with the Board of Trustees providing for such contributions to employees named in the Subscription Agreement).

Not all work for a Covered Employer qualifies as Covered Employment. For example, work does not qualify as Covered Employment if working for a Contributing Employer in a job not covered by the Collective Bargaining Agreement.

An Employee who becomes a Participant should file a Beneficiary Form with the TFO.

Beneficiary Forms are available on the Trust Fund website at: www.ncptf.com.

B. Non-Bargaining Unit Employees

Full-time work as an Officer or Employee of the Local Union is also considered Covered Employment except for Employees working under a different Collective Bargaining Agreement with another Union. The Employer Association(s) and other entities associated with UA Local 342 may be accepted by the Board of Trustees for participation in the Plan for permanent Employees. Certain employees who previously participated in the Plan in a position covered by a Collective Bargaining Agreement are eligible to participate as "alumni" pursuant to governmental regulations.

IV. ELIGIBILITY, ACCRUAL, AND AMOUNT OF BENEFITS

A. Earning Benefits

Benefits for a Participant under the Plan depend upon how many years of Credited Service, also known as "Benefit Credits," a Participant has earned by performing Covered Employment for Contributing Employers. The Plan is designed to pay greater benefits to those Participants who work a significant number of hours in Covered Employment for Employers who contribute to the Plan. The amount of the accrued monthly benefit for a Participant is the total of the Benefit Credits multiplied by the Benefit Rate. The Benefit Credits may be earned under a Recognized Prior Plan, plus the Benefit Credits earned since January 1, 1994, under this Plan. Years of Credited Service may fall into any of the following:

Credited Service. Credited Service for Covered Employment after January 1, 1994, the effective date of the Northern California Pipe Trades Pension Plan.

Prior Service. Credited Prior Service for employment covered under a Recognized Prior Plan is determined by the provisions of any Prior Plan and Collective Bargaining Agreements under which a Participant performs Covered Employment. Benefits under a Recognized Prior Plan, if any, became fixed when that Plan was merged into the Bay Area Pipe Trades Pension Plan, also a Recognized Prior Plan to the Northern California Pipe Trades Pension Plan.

Past Service. Past Service Credit is credit for the performance of work in a job category, subsequently covered by the Plan, for a contributing Employer before the Employer was required to make contributions to the Plan for the work performed.

Effective January 1, 1994, Past Service Credit was granted to eligible Participants who were employed or available for employment in work of the type which would have been covered by an applicable Collective Bargaining Agreement prior to July 1, 1959, if the Participant was employed in Covered Employment or was available for employment in work of such type on July 1, 1959; however, a Participant who was engaged in Military Service (as determined by the Trustees) on July 1, 1959, will not be required to be employed in Covered Employment or be available for such employment as of July 1, 1959. For Participants of the predecessor UA Local 444 Plan, the original effective date was January 1, 1956. For retirement dates effective on or after April 1, 1995, there are no maximum Past Service Credits and total service credits for the period up to June 30, 1976.

Pursuant to ERISA Section 4210, under the Plan's withdrawal liability provisions, the Plan may cancel any Past Service Credit for Participants of a withdrawing Employer as authorized by the Internal Revenue Code Section 411(a)(3)(E).

B. Vesting Credits / Benefit Credits

A Participant earns credit for both vesting and benefit accrual purposes when a Participant works under a Collective Bargaining Agreement with UA Local 342 that makes contributions on behalf of the Participant. However, a Participant shall receive no Vesting Credits or Benefit Credits if less than 300 hours of Covered Employment is performed in any Plan Year (January-December). The complete vesting rules are summarized on pages 9-13.

The requirements for a year of Benefit Credit for purposes of benefit accrual vary according to the period of your Covered Employment. The requirements for one full Year of Benefit Credit and the maximum Benefit Credits allowed in any Plan Year are as follows:

<u>Period</u>	Hours Required for Full Year of Benefit Credit*	Maximum Hours Credited in One Year	Maximum Benefit Credits Granted
07/01/76-06/30/79	1500	1800	1.2
07/01/79-12/31/80**	1500	2250	1.5
01/01/81-12/31/86	1500	1800	1.2
01/01/87-12/31/87	1200	1800	1.5
01/01/88-12/31/89	1200	2000	1.67
01/01/90-forward	1200	no limit	no limit

*Hours based on the standard recognized contribution rate under the Master Labor Collective Bargaining Agreement.

**Additional credit for up to 1.8 credits may be granted for 2700 hours.

Requirements for years prior to July 1, 1976, may be obtained from the TFO.

Partial credits are granted for the performance of 300 or more hours of Covered Employment but less than the number of hours required for a full Year of Benefit Credit in a Plan Year. Additional Credits are given for hours worked more than the hours required for a full Year of Benefit Credit, but only up to the maximum hours allowed in a Plan Year. No credit is granted for working less than 300 hours of Covered Employment in a Plan Year.

The Plan provides for benefits to be calculated based on Employer contributions being reported at a rate as determined by the Board of Trustees. Benefit Credits earned for all UA Local 342 contracts for the limited period of January 1, 2003, through June 30, 2008, have **not** been pro-rated. This excludes incoming Reciprocal Contribution Rates that are either above or below the Master Contribution Rate.

ALERT: LOWER CONTRIBUTION RATES CAN REDUCE YOUR BENEFIT

(Work outside the jurisdiction of UA Local 342 Master Labor Agreement and/or some UA Local 342 Contracts.)

If the contribution rate for any Employer is lower than the standard recognized contribution rate in the Master Labor Collective Bargaining Agreement with UA Local 342, the Benefit Credit will be reduced accordingly. Therefore, you may have less than one (1) year of Benefit Credit even if 1200 hours in Covered Employment were worked based on a lower contribution rate. This generally applies for reciprocal hours, but also applies to hours worked under other Collective Bargaining Agreements to which UA Local 342 is signatory (e.g. California Shortline Agreement).

EXAMPLE: A Participant is working under a contract that provides a contribution rate of \$10.00 per hour for 1,200 hours worked from January 1, 2018, through December 31, 2018. The UA Local 342 Master Labor Collective Bargaining Agreement was \$12.89 per hour for this time period.

$$1,200 \times \$10.00 = \$12,000 \div \$12.89 = 930.95 \text{ Credited Hours}$$

$$930.95 \div 1,200 = 0.78 \text{ Benefit Credits}$$

The Participant would receive 0.78 Benefit Credits for the 2018 Plan Year.

Partial Credits and additional credits are determined by dividing the actual Credited Hours for the Plan Year, up to the maximum, if applicable, allowance by the number of hours needed to obtain a full year of Benefit Credit for the Plan Year. Partial credit for any Plan Year is granted for 300 hours and up to the yearly maximum, if applicable, by dividing the hours worked in Covered Employment by the full year's credit (currently 1200 hours), as the denominator, rounded to two decimal places.

By way of example:

$$\frac{\text{Hours of Covered Employment} = 450}{\text{Hours for full year's credit} = 1200} = 0.38 \text{ Benefit Credits}$$

Effective July 1, 1976, Benefit Credits are granted for hours worked on or after that date under a Collective Bargaining Agreement with UA Local 342 for which Employer contributions were required to be made to the Plan.

C. Amount of Retirement Benefits

The amount of a Normal Retirement Benefit is determined by earned Benefit Credits and the Type of Retirement Benefit and Form of Benefit elected.

1. Determining the Amount of a Normal Retirement Benefit. The amount of the Retirement Benefit is the sum of the benefits earned for each year of Benefit Credit. The amount of benefits for each Plan Year of the Bay Area Pipe Trades Pension Plan (the immediate prior Plan) and this Plan is set forth in the Table beginning on pages 6-7.

ALERT: BENEFITS MAY BE REDUCED

(Depending upon the Benefit Option Elected and when Benefits commence)

Benefits may be reduced if an Early Retirement option is elected, or a form of benefit other than the Single Life Annuity – 60 Month Guarantee as summarized in other sections of this booklet is elected.

BONUS BENEFIT RATE INCREASES YOUR PENSION

Effective January 1, 1990, a Participant is entitled to the Bonus Benefit Rate (i.e. the higher Benefit Rate) the year following accrual of 25 Years of Benefit Credits and 25 Years of Vesting Credits.

Effective August 1, 1996, a Participant is entitled to the Bonus Benefit Rate the year following accrual of 25 Years of Benefit Credits and either: (a) 25 Years of Vesting Credits; or (b) 25 Years of Participation in the Plan. A Participant must have a minimum of 300 hours reported in Covered Employment for each year of Participation and must not have incurred a Permanent Break in Service. Pro-Rata Reciprocal Vesting Credits do not count toward your Years of Participation.

Once a Participant reaches the 26th Year of Participation as noted above, the Participant is entitled to the Bonus Benefit Rate.

Effective with dates of retirement on or after January 1, 2006, there is an exception to the requirement that 300 hours be reported in Covered Employment for the July 1976 through June 1977; July 1977 through June 1978; and July 1978 through June 1979 Plan Years. If a Participant did not have a minimum of 300 hours reported in Covered Employment during any one of these Plan Years and provides proof of being available for work, prior to retirement, the Participant may submit a written request to the TFO requesting a Grace Period.

There was no Bonus Benefit Rate prior to the 1990 Plan Year. The Bonus Benefit Rate from the 1990 Plan Year through the 1993 Plan Year was different for UA Local 342 and UA Local 444. Since UA Local 342 and UA Local 444 merged, and UA Local 444 members became members of UA Local 342, effective with the 1994 Plan Year, the Bonus Benefit Rate is the same.

Benefit Amounts as determined by the Board of Trustees per Plan Year are listed below.

<u>Plan Year</u>	<u>Benefit Rate</u>
Pre-July 1976	Varies
July 1976-December 1979	\$32.00
January - December 1980	33.00
January - December 1981	40.00
January - December 1982	52.00
January - December 1983	68.00
January - December 1984	126.00
January - December 1985	105.00
January - December 1986	112.00
January - December 1987	110.00
January - December 1988	120.00
January - December 1989	70.00

	<u>UA Local 342 Members</u>	<u>Former UA Local 444 Members</u>
<u>1990:</u>		
Years 1 - 25	\$ 91.00	\$ 77.00
Years 25.01+	121.00	103.00
<u>1991:</u>		
Years 1 - 25	\$ 88.00	\$ 80.00
Years 25.01+	117.00	107.00
<u>1992:</u>		
Years 1 - 25	\$ 73.50	\$ 84.00
Years 25.01+	98.00	84.00
<u>1993:</u>		
Years 1 - 25	\$ 60.00	\$ 54.00
Years 25.01+	80.00	54.00
<u>1994:</u>		
Years 1-25	\$ 75.00	
Years 25.01+	100.00	
<u>1995:</u>		
Years 1-25	\$ 70.00	
Years 25.01+	93.00	
<u>1996:</u>		
Years 1-25	\$ 40.00	
Years 25.01+	53.00	
<u>1997-2004</u>		
Years 1 - 25	\$ 75.00	
Years 25.01	100.00	
<u>January 1, 2004 –June 30, 2013</u>		
Years 1 - 25	\$100.00	
Years 25.01	133.00	

July 1, 2013-June 30, 2014

Years 1 - 25 \$125.00
Years 25.01 166.00

July 1, 2014-June 30, 2015

Years 1-25 \$150.00
Years 25.01 200.00

July 1, 2015-June 30, 2016

Years 1-25 \$159.00
Years 25.01 212.00

July 1, 2016 forward

Years 1-25 \$150.00
Years 25.01 200.00

EXAMPLE: BONUS BENEFIT RATE

Covered Employment began in 1992 and a Participant received 1.00 Benefit Credit per year from 1992 through 2016. As of December 31, 2016, the Participant would have accrued 25 Benefit Credits and 25 years of Participation in the Plan and the Benefit Rate for the Participant would increase from \$150 per Benefit Credit to \$200 per Benefit Credit effective with the 2017 Plan Year.

D. Annual Statement of Your Benefits

Each year the Plan will send a Statement showing your hours of Covered Employment worked in the prior Plan Year, accumulated Pension Credits, and anticipated monthly pension amount at Normal Retirement Age (age 65) as of the end of the prior calendar Plan Year. You should review your Statement for accuracy and notify the TFO in writing immediately if corrections are needed or if any questions should arise.

ALERT: IF YOU FIND ERRORS IN YOUR STATEMENT

Notify the TFO immediately if you notice any errors on your hours, rates, and/or benefit or if you have any questions.

E. Why Does It Take So Long to Receive an Annual Statement?

(January-December is the Plan Year)

The following time line may give a better understanding of the events that need to take place to complete an Annual Statement.

- December hours are generally received and processed in late January.
- Incoming reciprocal hours for December are often not received and processed until February or March. In most instances, by including an additional month of contribution activity, the Annual Statements will also reflect December hours and contributions that were reported late.
- Generally, the Annual Statements are prepared and distributed by no later than April 30.

F. Credit for Certain Military Service

Pursuant to the Veterans Readjustment Assistance Act (“VRAA”), the Uniformed Service and Re-employment Rights Act of 1994 (“USERRA”), the Heroes Earnings Assistance Relief Tax Act (“HEART”), and other applicable federal laws, an authorized leave of absence due to military service in the U.S. Armed Forces is considered Credited Service and Vesting Credits under the Plan, provided that the Participant has complied with all the requirements of applicable federal law, the Plan, and any rules established by the Board of Trustees. This Plan provides such credit only for military service for which Credited Service is required to be granted under applicable federal law.

To be entitled to Vesting Credits and Benefit Credits for the period in the Armed Forces of the United States, a Participant whose active duty exceeded 90 days must have:

1. Been working as a Covered Employee during the 90 days prior to commencement of service in the Armed Forces; **and**
2. Returned to work as a Covered Employee within 90 days following termination of service in the Armed Forces; **and**
3. Been honorably discharged from the Armed Forces; **and**
4. Served no more than five years in the Armed Forces (with certain exceptions).

The Board of Trustees will determine the Employer contributions that would have been made to the Plan on behalf of the Participant for the period of absence by taking an average of the hours and contributions made to the Plan on behalf of the Participant during the two Plan Years (or a lesser number of years if the Participant has shorter service) immediately preceding the date the Participant commenced service in the Armed Forces or if greater, using the Plan Year in which the Participant entered the Armed Forces as one of the two Plan Years being averaged. If the Plan can clearly identify the actual number of months that hours were reported on behalf of the Participant, the average would be based on the actual number of months the hours are reported in either the two Plan Years immediately preceding the Plan Year in which the Participant entered Military Service or the Plan Year in which the Participant entered Military Service (whichever provides the greater benefit for the Participant). The Board of Trustees shall have sole and absolute discretion to determine the appropriate hours and contributions to be allocated to a Participant in this situation.

The Plan incorporates the requirements of federal law relating to military service benefits. The Plan will provide a Beneficiary of a Participant who dies while performing qualified Military Service as defined in the Internal Revenue Code to any additional benefits that would have been provided under the Plan had the Participant resumed employment and then terminated employment on the account of death. This applies too, if the Participant becomes disabled while in Qualified Military Service and is unable to return to Covered Employment. This provision applies to deaths or individuals who become disabled occurring on or after January 1, 2008.

Pursuant to IRS guidelines, this provision applies only to Participants who would have been entitled to reemployment rights under USERRA had the Participant applied for such rights immediately prior to death. To the extent applicable for this Plan, any benefits under the Plan that would otherwise be provided to such Participant if the Participant had died while employed would apply. This provision does not require that contributions be reported by the Employer for the period of Qualified Military Service for purposes of determining death benefits.

V. VESTING

A. Vesting Rules

Rights to benefits may not be taken away once a Participant becomes vested. Once vesting status is achieved, a Participant becomes eligible for a Retirement Benefit from the Plan, even if you stop working and never return to work in Covered Employment. A benefit will be payable once the age and eligibility requirements for a Retirement Benefit under the Plan are met. **Until vested, a Participant is not entitled to any benefits under the Plan.**

If covered worked was performed under one of the following Recognized Prior Plans (Bay Area Pipe Trades Pension Plan, UA Local 444 Pension Plan [terminated June 30, 1976], or UA Local 342 Pension Plan) but vesting status in that Plan was not achieved, Years of Credited Prior Service under that Plan count for Vesting Credit in this Plan (unless a Permanent Break in Service as summarized on pages 11-13, occurred). The terms of each of those Plans determine how much Vesting Credit a Participant is entitled to receive.

B. How to Become Vested

A Participant becomes vested when any of the following requirements are met:

- Effective January 1, 1999, a Participant has at least five (5) years of Vesting Credit (that has not been cancelled due to a Permanent Break in Service), the five-year vesting rule applies. Refer to page 16.
- Prior Plan vesting rules apply before January 1, 1999. For example, immediately prior to January 1, 1999, a Participant had to have earned 10 years of Vesting Credit to be entitled to a Retirement Benefit.

C. Vesting Credit

One year Vesting Credit is granted for working 1,000 or more hours of Covered Employment in a Plan Year. Partial Vesting Credits are granted on a proportional basis for fewer hours provided that the Participant has worked at least 300 hours during the Plan Year. **There is no Vesting Credit earned for less than 300 hours in a Plan Year.** No more than one year of Vesting Credit is earned in a Plan Year regardless of how many hours you work in excess of 1,000 hours (excluding the Plan Year from July 1, 1979 through December 31, 1980). Credited hours for purposes of vesting include:

1. Covered Employment. Hours worked under a Collective Bargaining Agreement with UA Local 342 requiring contributions to this Plan for the work performed, including incoming reciprocal hours; and
2. Contiguous Non-Covered Employment. A contributing Employer may have employment opportunities that do not fall under the Collective Bargaining Agreement (“CBA”), such as a supervisory position. If a Participant begins working in a position not covered by the CBA for that same (or a different) contributing Employer, the Employer is no longer required to make contributions to the Plan on behalf of the Participant. Such service is known as “Contiguous Non-Covered Employment”. All Contiguous Service, which consists of employment for an Employer maintaining the Plan for which the Employer is not required to contribute to the Plan immediately preceding or following Covered Employment without a quit, retirement, or discharge between the Covered and Non-Covered Employment, is calculated on the same basis as Vesting Service Credit but only to the extent required by the

applicable Department of Labor regulations. For any retirement on or after January 1, 2008, a Participant who would otherwise qualify for Contiguous Service under the Section were it not for the fact that the Participant worked for different employers (i.e., not just the same Employer) maintaining the Plan will have such employment count as Contiguous Service for purposes of earning Vesting Credit.

Contiguous Service will not apply toward Service Retirement Benefit, the Special Disability Benefit, or any Pre-Retirement Death Benefits. Contiguous Service Vesting Credits will be considered for Disability Retirement Pensions, Early Retirement Pensions, and Normal Retirement Pensions only. For Disability Retirement Pensions, Early Retirement Pensions, and Normal Retirement Pensions, the Plan will consider Contiguous Service Vesting Credits in an amount equal to or less than Vesting Credits accrued in Covered Employment up to a maximum of five Contiguous Service Vesting Credits.

There are also no contributions for most 1st and 2nd period apprentices, which would also be considered Contiguous Non-Covered Employment. Such employment periods are counted for vesting purposes only under the Plan. (Such work will not, however, count in determining the amount of your benefit.) There can be no quit, other discharge, or retirement between the Covered Employment and that which was not Covered Employment.

Special rules may apply for certain contracts.

Contiguous Service Vesting Credits as applicable to Pension:

- The Plan does not count Contiguous Service Vesting Credits toward Service Pension (currently 25 Vesting Credits required).
- The Plan calculates Contiguous Service Vesting Credits based on hours worked in a Plan Year.
- The Plan grants one year of Contiguous Service Vesting Credits on the same basis as if the hours had been worked in Covered Employment.
- The Plan allows Contiguous Service Vesting Credits if the Employer is signatory to a Collective Bargaining Agreement that requires employer contributions to this Plan but has no Covered Employees.
- Contiguous Service may only be granted if you did not otherwise vest in the Plan through hours worked.

EXAMPLE: CONTIGUOUS NON-COVERED EMPLOYMENT

Generally, initial employment begins as a 1st Period Apprentice. Under the Master Labor Agreement, pension contributions are not required as part of fringe benefits until Employee(s) achieve 3rd Period Apprentice status (usually about one year to advance to this status). If employment was continuous without a quit or rehire from 1st Period Apprentice level through 2nd Period Apprentice level, if needed to Vest, a Participant may be eligible for Contiguous Service Vesting Credits during 1st and 2nd Period Apprentice employment (but would not have earned any Benefit Credits during that period).

3. Pro-Rata Reciprocity. The Plan recognizes all years of Vesting Credits for service accrued under a pension plan affiliated with the United Association of Journeyman and Apprentices of the Plumbing and Pipefitting Industry of the U.S. and Canada with which this Plan has a Pro-Rata Reciprocity Agreement recognizing such Vesting Credit for purposes of granting Vesting Credits. This includes but is not limited to being signatory to the Pro-Rata Reciprocity Addendum. If not vested, a Participant must meet all Plan requirements pursuant to the Pro-

Rata Reciprocity Addendum. Pro-Rata Reciprocal Vesting credits will apply toward Normal Retirement Pensions only. Pro-Rata Reciprocal Vesting Credits will not apply toward Disability Retirement Pensions, Early Retirement Pensions, Service Retirement Pensions, Special Disability Benefits, or any Pre-Retirement Death Benefits.

ALERT: VESTING CREDIT MAY BE DIFFERENT FROM BENEFIT CREDIT

A full Year of Vesting Credit is granted for fewer hours than a full Year of Benefit Credit, and Vesting Credit may be granted for employment for which no Benefit Credits are granted. Therefore, your number of Vesting Credits may be different from your number of Benefit Credits. No Vesting Credit or Benefit Credit is granted for less than 300 hours worked.

VI. BREAKS IN SERVICE

A. Permanent Break in Service (“PBIS”) Rules

1. Current Break in Service Rules. Permanent Break in Service rules may apply only if a Participant is **not vested**. Once vested, a Participant cannot lose Vesting Credits or Benefit Credits. However, if a Participant should leave Covered Employment before becoming vested (and does not return within a specified period), all of your Plan benefits will be forfeited.

If not vested, a Participant will incur a One Year Break in Service in a Plan Year in which at least 300 hours in Covered Employment are not worked. A Participant does not, however, lose previously earned benefits until a PBIS, as described below is incurred.

Effective January 1, 1999, if not yet vested, a Participant shall incur a PBIS and lose previously earned years of Vesting Credit and Benefit Credit if the Breaks in Service equal five years. Therefore, upon a PBIS, a Participant will not be entitled to any benefits. **A Participant will then have to start over and meet the Plan's eligibility requirements to become a Participant and start earning benefits again.**

EXAMPLE: PERMANENT BREAK IN SERVICE

If a Participant has three (3) years of Vesting Credit and then does not work in Covered Employment for five (5) consecutive Plan Years, the prior three (3) years of Vesting Credit are forfeited, the Participant will have incurred a PBIS. If, however, the Break in Service was only four (4) years or less (which means the Participant has returned to Covered Employment and worked at least 300 hours in a Plan Year), the Participant would not incur a PBIS.

2. Prior to July 1, 1976. The Plan, including prior Plans, has contained different Break in Service rules dependent upon the time involved. Therefore, if a Participant left Covered Employment prior to July 1, 1976, the prior Break in Service rules apply. Moreover, even if the Participant worked after that date, the Break in Service rules would apply to prior employment. Contact the TFO for the prior Break in Service rules if applicable to your situation. The Break in Service rules for periods on or after July 1, 1976, are:
 - a. July 1, 1976, through June 30, 1986. During the period from July 1, 1976, through June 30, 1986, a Participant incurred a PBIS if consecutive One Year Breaks in Service exceeded the total number of years of Vesting Credit earned prior to any such Break in Service.

- b. Effective July 1, 1986. The current Break in Service Rule provides that previously earned Vesting Credit and Benefit Credit since any prior Break in Service is not forfeited unless the Participant incurred the greater of either:
- i. Five consecutive One Year Breaks in Service, or
 - ii. Consecutive One Year Breaks in Service outnumber the years of Vesting Credit you earned prior to the commencement of such Break in Service.

Under these rules a partial Vesting Credit is rounded up. (e.g. if you had 6.25 Vesting Credits you would incur a PBIS after 7 One Year Breaks in Service.)

Different Break in Service rules existed under earlier versions of the Plan, which still apply to that prior period. For example, from January 1, 1976, through December 31, 1998, the Plan provided that a PBIS was incurred if the years in which a Participant incurred a Break in Service exceeded the years of Vesting Credit earned or five years, whichever is greater.

1976 – 1998 BREAK IN SERVICE RULE	
If the years of Vesting Service before a One Year Break in Service incurred were:	A PBIS was incurred and benefits forfeited if the Break in Service years equaled or exceeded:
0.30 – 5.00 Years	5 Years
5.01 – 6.00 Years	6 Years
6.01 – 7.00 Years	7 Years
7.01 – 8.00 Years	8 Years
8.01 – 9.00 Years	9 Years
9.01 – 9.99 Years	10 Years

EXAMPLE: PRIOR BREAK IN SERVICE

A Participant with seven (7) years of Vesting Credit as of January 1, 1985, could have left Covered Employment for six (6) years and returned the seventh (7th) year without incurring a PBIS, provided at least 300 hours were worked during that seventh (7th) year. Each of the six (6) years would be a One Year Break in Service. If, during the seventh (7th) year, at least 300 hours were not worked, another One Year Break in Service would occur for a total of seven (7) consecutive One Year Breaks in Service. As these One Year Breaks in Service were consecutive, a PBIS would occur as of December 31, 1992, which forfeits all Benefit Credits and Vesting Credits.

Under the five year vesting rule, effective January 1, 1999, a non-vested Participant who has worked one hour of service on or after January 1, 1999, will only incur a PBIS if the number of years of Breaks in Service equal five years. This is because the Participant will be vested once 5 years of Vesting Credit is earned (without a prior PBIS).

B. Grace Periods to Break in Service Rules

There are a few exceptions to the Plan's Break in Service rules. At any time before seeking to retire you must submit a written request to the TFO providing notice of such reasons for the Grace Period

request. Subject to Section C below, no Break in Service will occur if failure to be credited with 300 hours of Covered Employment in a Plan Year is due to any of the following:

1. Certain Military Service. Military Service in the Armed Forces of the United States. See pages 7-8 of this booklet for a summary of rights under the Plan concerning Military Service.
2. Total and Permanent Disability. A total and permanent disability which prevents you from working in the Plumbing and Pipefitting Industry, proven by medical evidence to the satisfaction of the Board of Trustees.
3. Strike or Lockout. Being prevented from working by a strike or lockout.
4. Employed by Union. Engaged in Union business for the Union which requires time away from Covered Employment.
5. Pregnancy, Adoption, or Childbirth. Time away from Covered Employment because of pregnancy, birth of a child, placement of a child in connection with adoption, and/or the caring of the child for a period beginning immediately after such birth or placement.
6. Employment by Certain Public Agencies. Being employed in the Pipe Trades Industry by the Government of the United States, the State of California, or a political subdivision of the State of California, subject to approval by UA Local 342.

A Grace Period does not add to Vesting Credits or Benefit Credits. It is a period which may be used to **prevent a PBIS**.

C. Requirements for Break in Service Waiver

To qualify for the exception to the Plan's Break in Service Rule in the event of the occurrence of 1-5 above, **you must do BOTH of the following**:

1. Notice. Notify the TFO in writing at any time before retirement or inquiring about Retirement Benefits; and
2. Immediate Return to Covered Employment. Return to Covered Employment or be available for work by signing the out-of-work of UA Local 342 within 90 days of the termination of the particular grounds for waiver which applies.

D. Family and Medical Leave Act Requirements

To the extent required by applicable law during a leave from Covered Employment of up to 12 weeks, your absence (from a contributing Employer that has a sufficient number of employees to be covered by applicable law) will not count toward a One Year Break in Service, provided the leave was granted by the Employer in accordance with the Federal Family and Medical Leave Act ("FMLA"). You must return to work in Covered Employment on or before the expiration date of the FMLA leave of absence. FMLA leave includes absences from work because of pregnancy, the birth, adoption, placement for foster care or adoption of a child, the care of a seriously ill spouse, parent or child, or your own serious illness. Unpaid FMLA leave will not add to Vesting Credits or Benefit Credits.

To the extent required by applicable law, FMLA leave also includes up to 26 weeks of unpaid leave during a 12-month period to care for a child, spouse, parent, or next of kin who is a member of the

Armed Forces who is undergoing medical treatment for a serious injury or illness sustained in the line of duty. To qualify as the "next of kin" you must be the service member's "nearest blood relative."

VII. EMPLOYER CONTRIBUTIONS

Employer contributions are made to the Plan pursuant to the terms of Collective Bargaining Agreements ("CBA") with UA Local 342 contribution rates for each hour of Covered Employment are set, from time to time, by the parties to the CBA. Each Employer is required to contribute only for such hours of work that are required by the CBA. The hourly contribution rate is \$13.59 as of the date this booklet is printed for most contractors [including \$0.70 set-aside for Additional Retiree Payment(s)]. However, that amount may change at any time if agreed to by the bargaining parties. The bargaining parties also may allocate additional or different contribution amounts to help fund the Pension Plan.

Each Employer is required to make monthly contributions for your Covered Employment which must be received by the Plan by the 22nd day of the month following the month in which the work was performed. Each monthly payment made by the Employer is accompanied by a transmittal form that contains the names, Social Security Numbers, and hours of work performed by each Covered Employee together with a payment to the Plan. The Employer Contributions to the Plan are not subject to withholding for Federal Insurance Contributions Act ("FICA"), Federal Unemployment Tax Act ("FUTA"), state, or federal taxes.

ALERT: IF YOU BELIEVE YOUR EMPLOYER IS NOT CONTRIBUTING FULL AMOUNTS

Notify UA Local 342 and the TFO immediately if you are aware of or suspect that your Employer has not contributed to the Plan on your behalf the full amount required under your Collective Bargaining Agreement.

The amount of Employer Contributions made to the Plan for non-bargaining unit employees (such as employees of UA Local 342, UA Local 342 Joint Apprenticeship and Training, and others not working under a bargaining agreement) will be governed by individual Subscription Agreements entered with the Plan and any rules adopted by the Board of Trustees.

VIII. RECIPROCAL AGREEMENTS WITH OTHER PENSION PLANS

A. "Money Follows the Person"

Under a "Money Follows the Person" Reciprocity Agreement, if you are working in another UA Local Union outside of the jurisdiction of UA Local 342 (traveling), Employer Contributions made to the Plan in the other jurisdiction are required to be sent back to this Plan.

For such "Incoming Reciprocity," when working in the jurisdiction of another UA Local Union and have the funds transferred to this Plan, Vesting Credit is earned based on the number of actual hours worked in the other jurisdiction. The Benefit Credits earned are pro-rated (if applicable) based on the amount of money received by this Plan, divided by the hourly contribution rate in the applicable Collective Bargaining Agreement at the time the contributions were reciprocated to this Plan.

B. Pro-Rata Reciprocity

For a Member of UA Local 342 who transfers to another UA Local (or vice versa), under a Pro-Rata Reciprocity Agreement, no money is transferred between the two Plans. Instead, the Credited Service in each jurisdiction may be aggregated by each Plan to determine vesting under the terms of each respective Plan. Pro-Rata Reciprocity is only applicable if the UA Local is signatory to the Pro-Rata Reciprocity Addendum. If the Participant becomes vested under these rules, each Plan will pay a Retirement Benefit based on the years of Benefit Credit earned in that Plan's jurisdiction only.

Dividing Credited Service between two Plans can reduce retirement income and/or deprive a Participant of earning a Retirement Benefit. For example, if you work for a UA Local for only a few years, you may not work enough hours to vest under the Plan and may lose the benefits you earned during those years.

In addition, if a Member of another UA Local transfers to UA Local 342, if the Member forfeited Pension Credit earned at the other UA Local due to a PBIS, these forfeited credits cannot be counted toward vesting under this Plan.

ALERT: PRO-RATA RECIPROCITY AGREEMENTS

The Plan does not have agreements with many UA Pension Plans and not all Plans are signatory to the UA National Pension Reciprocity Agreement. Therefore, you may want to inquire of the TFO on whether an Agreement applies.

C. Procedures for Reciprocity

Any Participant who believes a Retirement Benefit claim based on a Reciprocity Agreement exists and has questions about this matter should contact the TFO.

IX. APPLICATION AND TYPES OF RETIREMENT FOR BENEFITS

A. Application and Payment of Benefits

If a Participant is entitled to a pension and chooses to begin receiving pension benefits, the Participant should file an Application with the TFO within 60 days of the anticipated Date of Retirement. The Application contains instructions and lists all Plan required documents. Applications are available on the Trust Fund website: www.ncpttf.com. An Application may also be obtained from the TFO.

You must submit your completed Application to the TFO at the following address:

Northern California Pipe Trades Pension Plan
935 Detroit Avenue, Suite 242A
Concord, CA 94518-2501

To avoid delays, a fully completed Application must be submitted with all Plan required documents.

ALERT: RETIREMENT BENEFIT COMMENCEMENT DATE

Retirement Benefit payments commence effective the first day of the month following the date a fully completed Retirement Application and all Plan required documents are received, you terminate employment in the Pipe Trades Industry, and are eligible for a Retirement Benefit. Benefits are paid as soon as it is administratively feasible after all contributions are received and your completed Application is processed.

EXAMPLE: The TFO receives a Retirement Application on June 2nd for a Participant who last worked in May and meets all other Plan rules to be eligible for a Retirement Benefit. The Participant's Retirement Benefit commencement date will be July 1st. NOTE: If this Participant were to work any hours in July, the earliest Date of Retirement would be August 1st.

To increase efficiency, reduce the risk of theft and mail delays, the TFO strongly recommends that monthly Retirement Benefit payments be electronically transferred into an account at a financial institution. An EFT Form must be completed and returned to the TFO. An EFT Statement will be sent monthly confirming the transaction and any applicable deductions.

B. Types of Retirement

A Participant may retire on a Normal, Early, Service, or Disability Retirement depending upon the amount of years of Vesting Credit and Benefit Credit. The amount of benefits will be impacted by the type of retirement taken. The requirements for each type of retirement, and the benefit reduction which may apply are stated below:

1. Normal Retirement.

The Plan's Normal Retirement Age for a vested Participant is age 65. A Participant shall be eligible to receive Normal Retirement Benefits if he has terminated employment in the Pipe Trades Industry and meets one of the following requirements:

- a. The Participant is at least 65 years of age and has at least ten (10) years of Vesting Credit.

Effective January 1, 1999, the Participant is at least 65 years of age, has at least five (5) years of Vesting Credit (that has not been cancelled due to a Permanent Break in Service), and has earned at least 300 hours of Covered Employment in a Plan Year on or after January 1, 1999. If a Participant earned 300 hours of Covered Employment during 1998, the five-year Vesting Credit requirement applies if the Participant earned one hour or more of Covered Employment on or after January 1, 1999. Notwithstanding any provision herein to the contrary, a Participant's right to his or her Normal Retirement Benefit is non-forfeitable upon the attainment of Normal Retirement Age.

A Participant is not entitled to a Retirement Benefit if any years of Covered Service that are to be counted for vesting purposes is a result of Pro-Rata Reciprocity under any agreement with another Plan. Therefore, to be entitled to benefits as a result of the five-year Vesting Credit rule, years of service as a result of a Reciprocal Agreement shall not be applicable.

- b. The Participant meets the Credited Service requirement for a Normal Retirement under a prior Plan; **or**
- c. The Participant is at least age 65 and has reached the tenth anniversary of participation in the Plan without a Permanent Break in Service; **or**

- d. Effective January 1, 1990, the Participant is at least 65 years of age and has reached the 5th anniversary of Participation in the Plan (with such service on or after January 1, 1990) without a Permanent Break in Service.

2. **Early Reduced Retirement.**

A Participant is entitled to a reduced Early Retirement Benefit if all of the following requirements are met:

- a. The Participant has accrued at least 10 Years of Vesting Credit (excluding Pro-Rata Reciprocal Vesting Credits); **and**
- b. The Participant is at least 55 years of age; **and**
- c. The Participant has accrued 10 Years of Benefit Credit of which at least five such Benefit Credits were earned under this Plan and/or a prior Plan; **and**
- d. The Participant has terminated employment in the Pipe Trades Industry.

For each month the effective date of Early Retirement precedes age 65 to age 60, there is a one-quarter of one percent ($\frac{1}{4}$ of 1%) reduction and for each month the effective date of Early Retirement precedes age 60 to age 55, there is a one-half of one percent ($\frac{1}{2}$ of 1%) reduction.

EXAMPLE: EARLY RETIREMENT BENEFIT REDUCTION

A Participant decides to retire at age 58. The Normal Retirement at age 65, would be \$2,000 per month. Because the Participant is 84 months (7 years) younger than age 65, the reduction is $\frac{1}{2}$ of 1% for each of the 24 months that the Participant is younger than age 60 which equals a reduction of 12% and an additional $\frac{1}{4}$ of 1% for each of the 60 months that the Participant is between age 60 and 65, which totals another 15% reduction. The reduction is therefore 27% of \$2,000 or \$540. Subtract \$540 from \$2,000 which equals \$1,460. That is the Reduced Early Retirement Benefit amount in this example.

ALERT:

CONVERSION OF EARLY RETIREMENT TO FULL DISABILITY RETIREMENT

If at any time within twenty-four (24) months of the date of Early Retirement, the Participant obtains a Total and Permanent Disability Award from the Social Security Administration, the Participant may apply for conversion from Early Retirement Benefits to Full Disability Retirement Benefits providing all Plan requirements for a Full Disability Retirement are met as of the original date of Retirement, **and**:

- a. Evidence of your Total and Permanent Disability Award must contain a finding that the onset of your total and permanent disability arose during the twenty-four (24) month period from the date of your Early Retirement; **and**
- b. Such evidence of a Total and Permanent Disability Award issued by the Social Security Administration must be submitted to the TFO no later than sixty (60) days following the end of the twenty-four (24) month period.

CONVERSION OF EARLY RETIREMENT TO PARTIAL DISABILITY RETIREMENT

If at any time within twenty-four (24) months of the date of Early Retirement, a finding from the Plan's Independent Medical Review Organization that you are totally and permanently disabled from performing the duties of the Pipe Trades Industry is obtained, you may apply for conversion from Early Retirement Benefits to Partial Disability Retirement Benefits, providing all Plan requirements for a Partial Disability Retirement on the original Date of Retirement are met, **and**

- a. Evidence of the Total and Permanent Disability from performing the duties of the Pipe Trades Industry must contain a finding that the onset of the Total and Permanent Disability arose during the twenty-four (24) month period prior to the original Date of Retirement; **and**
- b. The finding of Total and Permanent Disability from performing the duties of the Pipe Trades Industry must be determined within two (2) years of the original Date of Retirement.

If a conversion to Full or Partial Disability Retirement Benefits is granted, the effective date will be the first of the month following receipt by the TFO of evidence that the Participant qualifies for the conversion.

3. **Disability Retirement.** There are two types of Disability Retirement Benefits:

a. **Full Disability Retirement**

A Participant shall be eligible for a Full Disability Retirement if the Participant becomes totally and permanently disabled and **all** of the following requirements are met:

- 1) The Participant has terminated employment in the Pipe Trades Industry; **and**
- 2) The Participant has obtained a Total and Permanent Disability Award issued by the Social Security Administration; **and**
- 3) The Participant has been credited with at least three hundred (300) hours of Covered Employment during any one of three (3) Plan Years ending with the year that the disability began (onset date as listed on the Participant's Social Security Disability Award Letter); **and**
- 4) Any one of the following:
 - a) The Participant has ten (10) years of Vesting Credits (excluding Pro-Rata Reciprocal Vesting Credits), regardless of age; **or**
 - b) The Participant has at least five (5) years of Vesting Credits (excluding Pro-Rata Reciprocal Vesting Credits) and at least five (5) Benefit Credits and the disability

- onset date, as listed on the Participant's Social Security Disability Award Letter, occurred on or after age 55; **and**
- 5) The Participant's disability is **not** the result of self-inflicted injury or of alcohol or drug abuse.

Total and permanent disability for the purpose of this Section shall mean a disability by reason of bodily injury or disease, except a disability resulting from self-inflicted injury or habitual use of narcotics or alcoholic beverages which permanently incapacitates a Participant from engaging in any gainful employment for which the Participant may become suited as a result of education or training. The Board will accept as evidence of total and permanent disability only an Award of Social Security Disability Benefits.

The Board of Trustees may, from time to time, require satisfactory evidence of continued disability, and if a Participant's disability ceases, the full Disability Retirement Benefits shall be terminated. A Participant is required to notify the TFO if no longer qualified for a Social Security Disability Award or returns to any type of gainful employment. A Participant will be required to repay the Plan for any benefits received during a period when not totally and permanently disabled.

ALERT: FILE EARLY APPLICATION

Participants are urged to file an Application for Full Disability Retirement Benefits with the TFO when applying for Social Security Disability Benefits so that the Plan benefits become payable as early as possible.

**ALERT: CONVERSION OF FULL DISABILITY RETIREMENT TO OTHER
TYPE OF RETIREMENT BENEFIT**

If a Participant retires under a Full Disability Retirement but was also eligible for a Service Retirement at the time of retirement, the Participant may convert a Full Disability Retirement to a Service Retirement at any time.

If a Participant did not qualify for a Service Retirement on the date of the Full Disability Retirement, the Participant may not convert a Full Disability Retirement to a Service Retirement.

If a Participant retired on a Disability Retirement and is deemed to no longer qualify for such Disability Retirement (and is ineligible to convert the benefit to a Service Retirement), the Participant may convert the Disability Retirement to an Early Reduced Retirement (if all the requirements of such benefit are met), using the Plan's applicable age reduction factor at the time of the conversion, or, if applicable, a Normal Retirement.

If a Participant elects to convert a Disability Retirement, in accordance with the above rules, the Participant must make a written request to the TFO. Providing that the Participant qualifies for a conversion, any such conversion will be effective the first day of the month following receipt by the TFO of the written request.

b. **Partial Disability Retirement**

A Participant may be eligible for a Partial Disability Retirement if the Participant becomes totally and permanently disabled from performing the duties of the Pipe Trades Industry (“Trade”) providing all Plan Requirements of a Full Disability Retirement are met, except the Participant does not have a Social Security Disability Award (“SSDA”).

American Health Holding (“AHH”) Inc., is the current Independent Medical Review Organization (“IMRO”) for the Plan. If applying for a Partial Disability Retirement, a Participant must submit medical evidence of total and permanent disability from the Trade to AHH.

A determination by the IMRO that a Participant qualifies for a Partial Disability Retirement Benefit is final and binding by the Plan. A determination by the IMRO that a Participant does not qualify may be appealed to the Board of Trustees. To overrule an adverse determination by the IMRO, the Board must find upon substantial evidence relevant to the question of Partial Disability that overruling the determination of the IMRO is warranted.

The amount of the Partial Disability Benefit shall be determined by multiplying the Participant's years of Vesting Credit, excluding Pro-Rata Reciprocal Vesting Credits, by four percent (4%) of the Full Disability Benefit for which the Participant received a total and permanent disability award from the Social Security Administration. The minimum Partial Disability Retirement Benefit is 50% of the Full Disability Retirement Benefit and the maximum Partial Disability Retirement Benefit is 100% of the Full Disability Retirement Benefit.

EXAMPLE: PARTIAL DISABILITY RETIREMENT BENEFIT

17.44 years of Vesting Credit would entitle you to 70% of your full pension (17.44 x 4%, equals 70% of your full pension). On the other hand, 25 years of Vesting Credit would entitle you to 100% of your full pension (25 x 4% equals 100%).

ALERT:

CONVERSION OF PARTIAL DISABILITY TO FULL DISABILITY RETIREMENT

If at any time within twenty-four (24) months of the date of onset of the Partial Disability Retirement, a Participant obtains a Total and Permanent Disability Award from the Social Security Administration, the Participant may apply for conversion from Partial Disability Retirement Benefits to Full Disability Retirement Benefits providing that:

- a. Evidence of the Total and Permanent Disability Award must contain a finding that the onset of the total and permanent disability arose during the twenty-four (24) month period from the onset of the disability; **and**
- b. Such evidence of a Total and Permanent Disability Award issued by the Social Security Administration must be submitted to the TFO no later than sixty (60) days following the end of the twenty-four (24) month period.

If a conversion to Full Disability Retirement Benefits is granted, the effective date will be the first of the month following receipt by the TFO of evidence that qualifies for the conversion.

4. Special Disability-Terminal Medical Condition

A Participant may qualify to receive a single lump sum benefit, equal to the sum of the contributions made on behalf of the Participant by Contributing Employers in Covered Employment if the Participant is not vested in the Plan and not eligible for any other benefit from the Plan and the Participant meets all the following requirements:

- a. The Participant is disabled for at least six (6) months and has obtained a Total and Permanent Disability Award issued by the Social Security Administration; **and**
- b. The Participant is under age 55; and has a medical report in a form acceptable to the Trustees stating that the disability is a terminal condition and the Participant is not anticipated to live to age 55. The Board of Trustees may obtain its own Independent Medical Opinion and is not required to follow the opinion of the Participant's medical report; **and**
- c. The Participant files a timely and complete Application with the TFO.

If a Participant receives this benefit the following rules apply:

- a. All years of the Participant's Vesting Credits and Benefit Credits are cancelled; **and**
- b. No death benefit will be payable under the Plan for Benefit Credits earned prior to the distribution under this section; **and**
- c. The joint and survivor benefit options summarized on pages 22-26 do not apply.

5. Service Unreduced Early Retirement

Effective January 1, 2001, a Participant shall be eligible for an unreduced benefit that is equal to the amount the Participant would receive at Normal Retirement Age if all the following requirements are met:

- a. The Participant has earned twenty-five (25) Benefit Credits under this Plan, none of which have been cancelled due to a Permanent Break in Service; **and**
- b. The Participant has twenty-five (25) years of Participation in the Plan. For purposes of this section, twenty-five (25) years of Participation means that 25 calendar years must elapse from the time Benefit Credits were first earned in this Plan as a Member of UA Local 342 or UA Local 444 without a Permanent Break in Service; **and**
- c. The Participant has attained age 55 or thereafter; **and**
- d. The Participant has terminated employment in the Pipe Trades Industry.

EXAMPLE: YEARS OF PARTICIPATION

If a Participant worked 300 hours in Covered Employment beginning in May 1994 and then accrues 25 Benefits Credits (that have not been forfeited due to a Permanent Break in Service), the 25th year of participation would be in May 2019. Therefore, the Participant would be eligible for Service Unreduced Early Retirement effective May 1, 2019.

Note: If a Participant transfers out of UA Local 342 prior to attaining 25 years of participation, the Participant would not be eligible for Service Unreduced Early Retirement.

6. Postponement of Retirement

A Participant may work past Normal Retirement Age and earn additional benefits in the same manner as benefits are earned prior to reaching age 65. If not working, a Participant has the right to defer receiving a Retirement Benefit until reaching the required beginning date in the Internal Revenue Code, which is April 1 following the year one reaches age 70.5. If still working in Covered Employment at age 70.5, one may postpone receiving Retirement Benefits until the first day of the month following the date Covered Employment is terminated.

If a Participant should terminate Employment in the Pipe Trades Industry prior to age 65 but chooses to delay retirement until after Normal Retirement age, the Participant will be entitled to a Retirement Benefit retroactive to a Retirement Benefit retroactive to the first day of the month following the date having reached age 65 (assuming the Participant was not working).

X. FORMS OF BENEFIT PAYMENTS

A. Married Participants/Registered Domestic Partner - Joint and Survivor Annuity

Spouse and registered Domestic Partner shall be used interchangeably as the Spouse throughout this booklet.

1. Joint and Survivor Annuity. The Plan's normal form of benefit if a Participant is married or has a Domestic Partner and the Domestic Partnership is registered with the state or municipality Domestic Partner Registry is a 50% Joint and Survivor Annuity, unless the Participant and the Spouse, reject in writing that form of payment in favor of a different benefit option. Under the 50% Joint and Survivor Annuity, the monthly pension is reduced for the Participant's lifetime in return for providing a lifetime pension for the Surviving Spouse equal to 50% of the monthly pension the Participant was receiving.

Under the Joint and Survivor Annuity, the Plan will be providing Retirement Benefits for the lives of two persons. As a result, there is a reduction in the monthly Retirement Benefit that would be payable for the life of the Participant only.

The amount of a Participant's 50% Joint and Survivor Benefit is actuarially reduced based on the average life expectancy of the Participant and the Spouse at the time of the Participant's Retirement.

Under the Plan's procedures the Plan rounds the Participant's age and that of the Spouse at the time of the Participant's Retirement to the nearest age. For example, if a Participant is age 60 and 5 months on the Date of Retirement, the Participant is considered age 60. If a

Participant is age 60 and 7 months on the Date of Retirement, the Participant is considered age 61. The same rule applies to the Participant's Spouse.

EXAMPLE: SAMPLE BENEFIT CALCULATION

The Participant is retiring at age 65 under a Normal Retirement Benefit in the amount of \$3,000.00 per month. If the Participant is married and the Spouse is age 57 on the Date of Retirement, the Participant's Normal Retirement Benefit would be calculated as follows:

50% Joint and Survivor Benefit

Benefit percentage = 89.1% (based on age factors)

\$3,000.00 x 89.1% = \$2,673.00

As a result, the Participant will receive a 50% Joint and Survivor Benefit in the amount of \$2,673.00. If the Participant predeceases the Spouse, the Surviving Spouse's lifetime benefit will be 50% of the Retirement Benefit, or \$1,336.50 per month.

A Participant and Spouse may also elect a Joint and Survivor Annuity equal to 75% or 100% of the Joint Benefit. The amount of the Joint and Survivor Benefit is also actuarially reduced based on the average life expectancy of the Participant and Spouse at the time of the Participant's Retirement.

2. Spousal/Domestic Partner Waiver/Beneficiary Designation. If a Participant is married or has a Domestic Partner and the Domestic Partnership is registered with the state or municipality Domestic Partner Registry, the Spouse must provide written consent on a Plan approved Consent Form on the form of payment that the Participant elects. The Spouse's signature on the Consent Form must be notarized.

A Participant who has a Spouse, is not allowed to designate a Beneficiary other than the lawful Spouse without the Spouse's written consent on the Consent Form provided by the TFO.

NOTE: If a Spouse consents to an Alternate Beneficiary and a Joint and Survivor Annuity has been elected, the amount of the Joint and Survivor Benefit will be actuarially reduced based on the average life expectancy of the Participant and Alternate Beneficiary at the time of the Participant's Retirement.

3. No Spousal/Domestic Partner Consent required if you are Legally Separated. It is not necessary for a Participant to obtain written consent if the Participant and Spouse are legally separated as evidenced by a Court Order, unless a Court Order or written agreement provides otherwise.

The term married as used throughout the Plan Document and/or this Summary Plan Description does not apply if a Participant and the Spouse are legally separated as evidenced by a Court Order.

4. Explanation Given to Participant/Election Period. The Plan will provide the Participant with a written explanation of the Joint and Survivor Annuity options. To comply with the federal requirement that the Plan provide information to the Participant and the Spouse during the 90-day period before payments are to commence, a completed application for payment of

benefits should be submitted to the TFO at least 60 days before the anticipated Date of Retirement.

B. Important Facts About the Joint and Survivor Annuity

1. Explanation for Decreased Benefit. Because the benefits under the Joint and Survivor Annuity Option is payable for two lives (the Participant and the Spouse Beneficiary), the amount of benefit will be reduced. If the Spouse Beneficiary is much younger, the reduction will be greater to reflect the longer life expectancy of the Spouse Beneficiary.
2. Irrevocable Once Payments Commence/One Exception. If a Joint and Survivor Annuity is elected, this election may not be withdrawn or changed after the first Retirement Benefit payment is negotiated.

A Retired Participant may not change his designated Beneficiary after the later of the annuity commencement date or the negotiation of the first check.

However, a Participant who has retired and elected any form of the Joint and Survivor Annuity Retirement Benefit with the Spouse as the designated Beneficiary who later is divorced from that spouse, may make a one-time change of the designated Beneficiary to receive the survivor benefit.

- a. To make this one-time change, the Spouse who was named as the Beneficiary must consent in writing before a Notary Public to such a change in Beneficiary. The Participant and newly designated Beneficiary must also agree in writing to notify the TFO immediately if the former Spouse predeceases the Participant and/or the newly designated Beneficiary.
 - b. The amount paid to the newly designated Beneficiary will **not** be actuarially adjusted to account for the age of the new Beneficiary but will be the same amount that would have been paid to the Spouse originally designated as the Beneficiary. Benefits paid to the newly designated Beneficiary would be as follows:
 - i. If the Participant pre-deceases the former Spouse originally designated as the Beneficiary, the amount paid to the newly designated Beneficiary will continue until the earlier of: (a) the death of the newly designated Beneficiary; or (b) the death of the former Spouse originally named as the Beneficiary. Upon termination of this survivor benefit, benefits would be exhausted and no additional survivor benefits would be payable; or
 - ii. If the former Spouse originally designated as the Beneficiary dies before the Participant, no survivor benefits would be payable to the newly designated Beneficiary. In this situation, pursuant to Plan rules, the Participant's monthly Retirement Benefit will "pop-up" to what it would have been had the Participant elected the Single Life Annuity 60 Month Guarantee Benefit.
3. Use of Trust Fund Forms. An election or revocation of a Spousal Pension must be: (a) Made (or revoked) prior to the Annuity Starting Date; (b) Made on forms furnished by the TFO; and (c) Filed with the TFO.

4. No Revocation of Joint and Survivor Benefit Option. Once a recipient is in pay status, a Joint and Survivor Benefit Option may not be revoked because of the subsequent divorce.
5. Later Divorce Has No Effect. If a Participant retires on a Joint and Survivor Annuity and subsequently divorces the Spouse, the Retirement Benefit will not be increased to the level that would have been received had this option not been elected. Moreover, if a Participant subsequently remarries, the Participant may not transfer the survivor benefits to the new Spouse, except in limited situations as described above.
6. Reliance on Statements regarding Marital Status to Recover Funds. Before the Annuity Starting Date, a Participant must file a notarized Marital Status Affidavit (“MSA”), which is a written representation of the Participant’s marital status upon which the Plan will rely. The Participant must also submit all Divorce Documents including any Marital Settlement Agreement(s), and/or Qualified Domestic Relation Orders (“QDRO”). If representation on the MSA is false or a Participant has failed to submit any Court Orders or QDRO’s, the Board has the discretionary right to adjust the dollar amount of the Participant’s Retirement Benefit to recover any benefits which may have been paid to the Participant in error.
7. Former Spouse’s Rights under a QDRO. The rights of a former Spouse or other family member to any share of a Participant's pension, as set forth under a QDRO, shall take precedence over any claims of the Participant's Spouse at the time of retirement or death.

C. Normal Form of Benefit - Single Participant

The normal form of benefit for an unmarried Participant is a Single Life Annuity. **A Single Life Annuity is payable for the life of the Participant.** However, if a Participant dies before receiving (60) monthly payments Retirement Benefits shall be continued until a combined total of sixty (60) monthly payments have been made to the Participant and the designated Beneficiary. If the Participant has not designated a Beneficiary, or if no Beneficiary survived the Participant, payment will be issued according to Plan rules.

D. Benefit Options

Benefits under the Plan provide monthly income for as long as you live. Under some benefit options the benefits may continue to be paid to the Beneficiary after death. The pension earned, either the Full Benefit or the Reduced Early Retirement Benefit, may be reduced under the different forms of payment. The reductions are actuarially based on the average life expectancy of those eligible for the benefit.

If unmarried, a Participant may elect any type of benefit permitted under the Plan and designate any Beneficiary.

ALERT: YOU MAY NOT CHANGE YOUR PAYMENT OPTION AFTER BENEFITS COMMENCE BEING PAID TO YOU
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1. Single Life Annuity 60 Month Guarantee. This form of benefit is a Single Life Annuity. **Benefits are paid for the Participant’s life.** However, if a Participant dies before receiving sixty (60) monthly payments, payments shall be continued until a combined total of sixty (60) monthly payments have been made to the Participant and the designated Beneficiary.

2. Single Life Annuity 120 Month Guarantee. This form of benefit is a Single Life Annuity. **Benefits are paid for the Participant's life.** However, if a Participant dies before receiving one hundred and twenty (120) monthly payments, payments shall be continued until a combined total of one hundred and twenty (120) monthly payments have been made to the Participant and the designated Beneficiary. *This benefit election is not available for a Participant retiring under a Disability Retirement.*
3. Optional Joint and Survivor Annuities/Percentage Factors Used to Calculate Benefits. The Participant may designate the Spouse/Beneficiary to receive a monthly survivor benefit equal to 50%, 75% or 100% of the benefits payable to the Participant, if the Participant's Spouse/Beneficiary survives the Participant.

Under the Joint and Survivor Annuity options, the Participant's monthly pension is reduced for the Participant's lifetime in return for providing a lifetime pension for the Participant's Spouse/Beneficiary equal to either 50%, 75%, or 100% of the monthly benefit amount that the Participant was eligible to receive. The amount of a Participant's monthly benefit will vary depending upon the Joint and Survivor Option elected. The amount of the reduction for the 50%, 75%, or 100% Joint and Survivor Benefit is actuarially based on the average life expectancy based on the ages of the Participant and the Participant's Spouse/Beneficiary.

Once a Retirement Benefit is paid in the form of a Joint and Survivor Annuity, if the Participant later divorces or separates from a Spouse, the reduced amount a Participant receives will not be increased to the Single Life Annuity 60 Month Guarantee. The Participant's Retirement Benefit will remain permanently at the reduced amount. Should a Participant pre-decease his ex-spouse, the Participant's Surviving Spouse, may continue to receive Survivor Benefits under the Joint and Survivor Annuity.

4. Contingent Beneficiary Options. A Participant may designate someone other than his Spouse as the Beneficiary to receive a 50%, 75%, or 100% Survivor Annuity. If a Participant is married, the Participant's Spouse must provide written consent on a Plan approved Form for designation of another Beneficiary.

If a Participant should die after Retirement Benefits began being paid, any remaining payments will be payable to the designated Beneficiary, or if no Beneficiary survived the Participant, payment will be issued according to Plan rules.

5. Pop-Up Option. If a 50%, 75%, or 100% Joint and Survivor Annuity is elected, the monthly benefit will "pop-up" to the monthly amount of the Single Life Annuity (60 Month Guarantee) if the designated Beneficiary dies before the Participant. This benefit is guaranteed for the same 60 month period from the Participant's Date of Retirement.

The pop-up benefit is effective for any Participant whose Beneficiary predeceased the Participant on or after January 1, 1998; however, there is no retroactive benefit increase. Payments will be effective the first of the month following the date that the Plan is notified of the Beneficiary's death. The Plan requires, receipt of the Beneficiary's Death Certificate in order to "pop-up" the Participant's monthly benefit.

E. One Month Payment to Surviving Spouse Upon Death in Limited Situations

For any form of benefit other than a Joint and Survivor benefit elected by a married Participant, the Plan provides that one monthly benefit payment will be paid to the Surviving Spouse, providing that, the Surviving Spouse was married to the Participant on the Date of Retirement and the Surviving Spouse was still legally married to the Participant on the date of death.

F. Discretionary Additional Payments/COLA

The Board of Trustees may issue an additional payment(s) or a cost of living adjustment if deemed prudent for a period without the necessity of a formal Plan amendment. Any such payment is at the absolute discretion of the Board of Trustees and depends on the availability of funds. Such payments may be authorized in some years and not others (or any at all) and the amounts may vary.

G. Interest on Certain Delayed Payments

Pursuant to IRS guidelines and only to the extent required by the IRS, the Plan will pay non-compounded interest on certain delayed pension payments. The rate may vary during different periods. This rate may be changed by the Board of Trustees in the future without having to amend the Plan. The Board of Trustees has the absolute discretion to determine whether a retroactive payment is being made and whether the Plan is legally required to pay interest on such payments. Interest is required only to the extent that applicable law and regulations require such payments.

H. Payments to a Minor

Any death benefit payable to a minor under age 18 may be paid to the legally appointed guardian of the minor or, if there is no guardian, to such adult(s) that has, in the discretion of Plan representatives, assumed principal support of said minor. The Plan may also decide to distribute benefits to a minor, depending upon the circumstances. The Board, and its delegates, have absolute discretion in making such determinations and may delay making a distribution until the Beneficiary attains age 18.

I. Survivor Benefits Under Qualified Military Service

If a Participant dies while performing qualified military service as defined in the Internal Revenue Code, the Plan will make available to the Beneficiary any additional benefits that would have been provided under the Plan had the Participant resumed employment and then terminated employment on the account of death.

XI. RETURNING TO WORK IN THE PIPE TRADES INDUSTRY - SUSPENSION OF RETIREMENT BENEFITS

<p>SUMMARY OF RULES IF YOU RETURN TO WORK AFTER RETIREMENT All Participants are Prohibited from Working in Most Positions in the Pipe Trades Industry; and Participants Must Immediately Provide Written Advance Notice to the TFO Prior to Commencing any Type of Work</p>
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If a Participant is receiving a monthly Retirement Benefit from the Northern California Pipe Trades Pension Plan and **returns to work in the Pipe Trades Industry in the United States or Canada, Retirement Benefits will be suspended** in accordance with the Plan Document under the rules summarized below.

Retirement Benefits will also be suspended if a Participant continues to work past Normal Retirement Age in the Pipe Trades Industry for 40 hours or more per month in the State of California, subject to some limited exceptions. However, if a Participant returns to work after attaining age 70.5, Retirement Benefits will not be suspended as of the first of April following the year age 70.5 is attained.

WARNING

If a retired Participant under age 65 returns to work in Prohibited Employment, Retirement Benefits will not be resumed until Normal Retirement Age as defined below.

1. **Prohibited Employment**

a. **No Industry Work Prior to Age 65**

Retired Participants under age 65 returning to **any** work in the Pipe Trades Industry in the United States or Canada, Retirement Benefits will be suspended, **unless** the work qualifies under some limited exceptions.

The term "Pipe Trades Industry" includes all work, public or private, covered, or if not actually covered, of the type covered by any Collective Bargaining Agreement of the UA or any Local Union of the UA, as well as any other kind of work performed for any business engaged in the Pipe Trades Industry. The Pipe Trades Industry encompasses plumbing and pipefitting work.

Such work, which is also known as "Prohibited Employment," includes without limitation any of the following:

- 1) work in employment of the type performed by Participants covered by the Plan, known as "Covered Employment;"
- 2) work which requires directly or indirectly the use of the same skills used by Participants covered by the Plan;
- 3) work in employment for compensation or wages of any kind or for profit in the Pipe Trades Industry;
- 4) work for profit as an owner or partner in any business directly or indirectly connected with the Pipe Trades Industry; or
- 5) work where supervision of Participants, except as permitted outside of the Collective Bargaining Agreement, in the same trade or craft or directly or indirectly use the same skills as Participants covered by the Plan.

"Prohibited Employment" is interpreted in the broadest manner. "Hours" includes all hours for which compensation is paid or payable. Prohibited Employment includes work in which a salary is paid (including hourly, daily, weekly, bi-weekly, bi-monthly, monthly, annually, or any other rate), work for which one might be considered an "Independent Contractor," work for which one will be entitled to receive deferred Retirement Benefits, or work in which one might be due or actually receive anything of value in exchange for the services rendered.

b. **Limited Work Allowed After Age 65 (prior to attaining Age 70.5)**

Work In California. After a Participant's Normal Retirement Date (the first of the month after attainment of age 65), Retirement Benefits will be suspended if work is performed in the Pipe Trades Industry in the State of California **for 40 hours or more** per month as follows, subject to some limited exceptions:

- 1) The type of work performed by Participants covered by the Plan; **or**
- 2) Work which requires directly or indirectly the use of the same skills used by Participants covered by the Plan; **or**
- 3) Any supervision of Participants in the same trade or craft or directly or indirectly using the same skills as Participants covered by the Plan. This includes, without limitation, self-employment, salaried, hourly, and independent contract employment.

Work Outside California. Upon the attainment of Age 65, there is no limit on the number of hours you may work outside of the State of California.

c. Exceptions to Industry Service Definition

The Board of Trustees has total and absolute discretion to determine whether anticipated or actual employment is Prohibited Employment. The Board of Trustees has delegated these determinations to UA Local 342. A written request for **pre-approval prior** to commencing such work is required. Written notification of the determination will be sent.

Exceptions to Industry Service is defined as:

- 1) Work in the Pipe Trades Industry for the Government of the United States, the State of California, a political sub-division of the State of California, a County, City or other government agency; **or**
- 2) Work which is not covered by any Collective Bargaining Agreement of the UA or any Local Union of the UA; **or**
- 3) Employment that does not directly or indirectly replace the employment of a bargaining unit Participant; **or**
- 4) Employment that will not impinge upon the jurisdictional claims of UA Local 342.

NOTE: CONTINUED PROOF MAY BE REQUESTED

Initial and continuing qualification of such employment as Non-Prohibited Employment is determined solely by the Board of Trustees or its delegates and continued proof that such employment meets the criteria may be required at any time. Failure to provide requested information regarding your continued employment or any other matter is grounds for suspension of your Retirement Benefits.

Presumption Regarding No Disability

If a Participant who retired on a Disability Retirement should return to work, the Plan will assume the Participant is no longer eligible to receive a Disability Retirement Benefit. However, in rare situations, for good cause, an exception may apply.

Temporary Return to Work Program (Full Employment-Disabled Retirees not eligible)

When there is Full Employment, or Full Employment in certain designated positions and the Board of Trustees establishes a Temporary Retiree Return to Work Program, Retirees who are disabled are **not eligible to return to work, even if you did not retire under a Disability Retirement. The Board of Trustees has discretion regarding the duration of any Temporary Retiree Return to Work Program for Non-Disabled Retirees.**

2. Written Request for Determination

Prior to commencing any Work After Retirement, a Participant **must** request a determination from the Board of Trustees on whether such contemplated Work After Retirement will be prohibited under the Plan, by submitting a written request to the TFO. The written request must be submitted with a letter from the Employer outlining the job title and the specific job duties. The TFO will

notify the Participant with the determination within a reasonable time, not to exceed ninety (90) days, unless the Board has not been provided with sufficient information to make such a determination or unless special circumstances exist.

Failure to request an advance determination from the Board of Trustees may result in a suspension of Retirement Benefits until such time as a review of the information can be made. It is the Participant's responsibility to allow sufficient time for the Board of Trustees to review a request.

3. **Plan Presumptions Allowed by Department of Labor (DOL) Regulations**

Failure to report work in the Pipe Trades Industry and if any Plan Representatives learn that a Retiree has performed or is performing such work, the Plan will act on the basis of a **rebuttable presumption** that at least 40 hours per month of work has been performed in Prohibited Employment until notice is given that the Prohibited Employment has ceased. Furthermore, if any Plan Representatives learn that a Retiree has performed or is performing such work at a construction site, the Plan will act on a **rebuttable presumption** that employment at that job site with the same employer for at least as long as that employer has worked at the job site is the time for which the Retiree has violated Plan provisions. However, the Retiree shall have the opportunity to prove that these presumptions are not true by establishing that the work being performed was not or is not an appropriate basis for suspension of Retirement Benefits. The Board of Trustees is the only entity that can make that determination.

4. **Access to Information**

If requested, the Plan must be provided with access to reasonable information for the purpose of verifying employment, such as time sheets, logs or records, income tax returns (including attachments), W-2 Forms, and any other employment or income-related records. The Plan may also require that the Retiree provide written authorization for the TFO to obtain access to Social Security records, which will assist the Plan in determining work history.

Any request from the Plan for information from your employer, contractor, subcontractor, union, government agency, or any other person or entity relating to any Work After Retirement shall be provided timely.

5. **Notices/DOL Regulation/Appeal**

The Plan will notify a Retiree by First Class Mail if Retirement Benefits are suspended during the first calendar month in which payments are suspended. The notice will include the reason for the suspension and a general description of the Plan's Benefit Suspension provisions, including a description of the specific periods of employment and the Plan's Claims and Appeals Procedures. Plan rules state that **if one is eligible for Retiree Health and Welfare Benefits, and Retirement Benefits are suspended due to Prohibited Employment, Retiree Health and Welfare Benefits are suspended indefinitely.**

In addition, failure to comply with all Plan rules, including notifying the TFO of employment or obtaining approval from the Board of Trustees prior to commencing any Work After Retirement, may result in the irrevocable loss of your rights to Retiree Health and Welfare Benefits.

WARNING: RETIREE HEALTH AND WELFARE BENEFITS

If the Retirement Benefit is suspended more than once due to returning to Prohibited Employment the Retiree will permanently lose rights to Retiree Health and Welfare Benefits. Refer to the Health and Welfare Plan rules.

The applicable DOL regulation allowing the suspension of Retirement Benefits may be found in the Code of Federal Regulations. A copy of that regulation (29 C.F.R. § 2530.203-3) is available from the TFO upon written request.

Any decision of the Plan to suspend Retirement Benefits is entitled to a review by submitting a written request to the Plan within 60 days of the date of the Suspension Notice. The Plan's Claims and Appeals Procedures apply to a suspension of Retirement Benefits.

If monthly Retirement Benefits have been suspended, the Retiree should notify the Plan when the Prohibited Employment has ended. The Trustees have the right to withhold Benefit payments until such notice is received by the TFO and Plan Representatives determine that the notice is accurate.

Retirement Benefits for those who retire early and return to Prohibited Employment will not be resumed until the Retiree has attained Normal Retirement Age except for:

- a) Participants who qualify for Disability Retirement after returning to Industry Service; or
- b) Retirees who retired on a Disability Retirement who return to Industry Service after recovering from the disability and subsequently qualify for Early or Disability Retirement; or
- c) Non-Disabled Retirees who are approved by the Board of Trustees or its delegates to temporarily return to work under a Temporary Return to Work Program during temporary shortages of available qualified individuals for work in the trade. Refer to the Temporary Waivers of Suspension section.

6. Payment Resumption/Offset Amounts Owed to Plan

If a Retiree is working in Prohibited Employment and has attained Normal Retirement Age, the Retirement Benefits will be suspended for a period equal to the number of months during which Prohibited Employment was performed. However, should the Retiree stop working and want to resume commencement of Retirement Benefits, timely notification (within 15 days) must be submitted in writing to the TFO certifying that the Retiree is no longer working. Failure to give such notice and certification will delay the payment resumption of Retirement Benefits. Once the TFO is notified in writing and furnished the required certification or information of non-employment or sufficient information to establish that any employment does not constitute Prohibited Employment under the Plan rules, suspended Benefits will resume after the last month for which Benefits were suspended or the month following receipt of notice, whichever is later, subject to any permissible offsets.

If the Plan has paid a monthly Retirement Benefit for any month in which a Retiree engaged in Prohibited Employment prior to Normal Retirement Age, the Plan may offset all such amounts from future Retirement Benefits before reinstating the Retirement Benefit and paying any further Retirement Benefits. If the Plan paid any Retirement Benefits for any month in which Prohibited Employment was performed on or after age 65, the Plan may reduce future Retirement Benefits by 100% for the first three months of any Retirement Benefit payment and up to 25% of future monthly payments until the full amount of overpayment is recovered. Any overpayments not recovered at the time of death may be offset against any death benefits or survivor benefits that may be payable.

WARNING – Innocence is Not Defense
The DOL regulations allow the offset of Benefits owed to the Plan, regardless of whether you know or did not know of your entitlement to the payments.

7. Temporary Waivers of Suspension

The Board of Trustees may periodically approve Work After Retirement in Covered Employment to meet temporary shortages of available qualified individuals for work in the trade, for work requiring special individual skills, or for work for Signatory Employers that may be covered by the Collective Bargaining Agreement. This practice may allow those who have already retired to be able to return to work to meet these special needs. The Board of Trustees reserves the right to rescind or modify this provision at any time. All waivers are temporary and subject to modification and/or termination at any time.

Return to Covered Employment After Retiring

If, after retiring, a Retiree returns to approved Covered Employment under a Temporary Return to Work Program, additional Benefit Credits may be earned at the applicable rate. The amount of the Retirement Benefit previously earned will not be changed. Any additional Benefit Credits will be recalculated at the time of termination of reemployment. If a Retiree age 70.5 or older continues to work past the required beginning date for distributions (April 1 following the year attaining age 70.5), additional Benefit Credits earned will be recalculated annually as required by law.

XII. IRS PENSION DISTRIBUTION RULES

A. Required Distributions at Age 70.5 Based on IRS Rules

Under the Internal Revenue Code, the Plan must commence paying benefits no later than April 1st following the year in which a Participant attains age 70.5 or the first of the month following the date a Participant ceases work, whichever is later. A Vested Participant who attains age 70.5 may elect to receive benefits regardless of whether the Participant continues to work. The monthly pension will be recalculated annually based on additional credits earned in the prior year. If the Participant is a five (5) percent owner of a contributing employer, the Plan is required to commence paying benefits at age 70.5 even if still working.

ALERT: POTENTIAL LARGE IRS PENALTY – AGE 70.5 REQUIREMENT

The IRS will assess a severe penalty against you if you do not begin receiving your Retirement Benefit by April 1 of the year following the date you attain age 70.5 or the first of the month following the date you cease working, whichever is later. Five percent owners are required to commence receiving their benefits at age 70.5.

B. Rights of Former Spouse

If a Participant is separated or divorced, the former Spouse may be entitled to a portion or the entire Retirement Benefit of the Participant. Providing the Participant is vested in the Plan on the Date of Separation, the Plan is required by federal law to comply with a court order that awards a portion or all of the Retirement Benefits to a former Spouse(s), child or other Alternate Payee ("AP") if the order qualifies as a Qualified Domestic Relations Order ("QDRO") as defined in ERISA.

A QDRO is an order that creates or recognizes the existence of a former Spouse's or child's (or other Alternate Payee's) right to receive all or a portion of the Participant's Retirement Benefits.

To qualify as a QDRO, the order must direct the Plan to pay benefits directly to a former Spouse, child or other AP now or in the future. Such benefits must be of a type and form provided under the Plan and may not exceed the benefits to which the Participant would be entitled to receive under the Plan.

ALERT: IF THE PARTICIPANT IS ELIGIBLE FOR A SERVICE UNREDUCED EARLY RETIREMENT BENEFIT, AND THE AP CHOOSES TO COMMENCE RECEIVING BENEFITS BEFORE THE PARTICIPANT RETIRES, AGE REDUCTION FACTORS WILL APPLY BASED ON THE PARTICIPANT'S AGE UNTIL THE PARTICIPANT ATTAINS NORMAL RETIREMENT AGE.

The Participant, Spouse, former Spouse, or court agency seeking child support payments may request the Plan's Procedures for handling QDROs, which includes a sample order containing language acceptable to the Plan. A Participant or any other party (or Legal Counsel) should submit a proposed QDRO to the Plan's Legal Counsel prior to submission to a court. The Plan's Legal Counsel will then provide notice of any required changes.

ALERT: UNRESOLVED DISPUTES REGARDING A DIVORCE AND RETIREMENT BENEFITS MAY DELAY PAYMENT OF YOUR RETIREMENT BENEFIT

If the Plan is notified of a pending divorce action or receives a court pleading known as a "Joinder Request" or a similar document, the Plan has the discretion to delay paying Plan benefits for a reasonable period to allow time for the parties to prepare a QDRO, even if a Retirement Application is on file.

ALERT: DISCRETION TO PAY A PORTION OF YOUR PENSION

If it appears that a former Spouse or other Alternate Payee is seeking only a portion of the Retirement Benefit, the Plan may, at its discretion, distribute to the Participant the portion of Retirement Benefits that is not being addressed by the pending QDRO.

C. No Assignments (with minimal exceptions, such as an IRS Levy and/or a QDRO)

The intent of the Board of Trustees is for the Plan to pay benefits only to the Participant or designated beneficiaries. As a result, and pursuant to Internal Revenue Code requirements, a Participant may not borrow against or otherwise pledge any part of your pension as security or collateral for a loan or otherwise transfer rights of the benefit. The pension is also exempt from claims of creditors, such as garnishments or executions, except for certain divorce and child support orders as set forth in Section B above, certain IRS liens, and as may be required by applicable law.

D. Overpayments Recoverable by the Plan

A Participant or Beneficiary, is entitled only to the amount and form of benefits described in the Plan document, as amended from time to time. **If a Participant is receiving an improper amount or benefit from the Plan and becomes aware of that fact, the Plan requires that the Participant immediately notify the TFO of the overpayment.**

If a Participant or any Beneficiary receives an overpayment of benefits, the Plan will reduce or offset any future benefits to recover the overpayment, unless other arrangements can be made to the

satisfaction of the Board of Trustees for the recovery of the overpayment. The Plan will withhold at least 25% of your pension payments until the Plan recovers the overpayment. To the extent permitted by law, the Plan may withhold up to 100% of your monthly payments until an overpayment is recovered. The Plan is also authorized to offset lost earnings on the overpayments and reimbursement to the Plan for any attorney fees and costs incurred by the Plan because of the overpayment. The Plan may also file a claim against the Participant's estate or any other person or entity if amounts are still owed at the time of death and there are insufficient funds, including any death benefits payable to the designated Beneficiary, to recover the overpayment. Any funds owed by a Participant to the Plan will be deducted from any death benefits that may be payable because of the Participant's death.

Amounts Owed to Related Plans. The TFO is delegated the responsibility of implementing the action of related Trust Funds, such as the Northern California Pipe Trades ("NCPT") Health and Welfare Plan, or this Plan, to address situations when a Participant (and/or the Participant's improperly designated Beneficiary) owes money to a related Plan or to this Plan. The TFO may postpone processing a Retirement Application of a Participant, Beneficiary, or AP, and/or paying monthly benefits or a partial or total lump sum payment to any such person who owes money to this Plan or to a related Plan (including but not limited to the NCPT Health and Welfare Plan and/or the NCPT Supplemental 401(k) Retirement Plan). In addition, subject to your approval, the TFO has the authority to deduct amounts from the monthly Retirement Benefits or partial or total lump sum payment or any death benefit that may be payable to a Participant, Beneficiary or AP to repay this Plan or any related Plan as referenced above any amounts owed by the Participant, Beneficiary or AP (and/or the Participant's improperly designated dependent). Any such deduction will be voluntary on the part of the Participant, Beneficiary or AP. Such amount may be:

- The full amount owed deducted from a partial or lump sum distribution from this Plan; or
- Twenty five percent (25%) of a person's monthly Retirement Benefit from this Plan; or
- A minimum amount established by the Board of Trustees (such as \$250.00 or any other designated amount, even if greater than 25%); or
- Any other amount established by the Board of Trustees (without the need for a Plan amendment).

The Board of Trustees delegates to the TFO the discretion and responsibility to implement this provision, including establishing the appropriate amounts to be paid.

XIII. DEATH BENEFITS/PRE-RETIREMENT SURVIVOR BENEFITS

A. Qualified Pre-Retirement Survivor Annuity ("QPSA")

Any reference to a Spouse or Surviving Spouse in this section, includes a registered Domestic Partner.

This death benefit option is provided to comply with federal law and applies only to Participants who are vested, married at the time of death, and who die before receiving Retirement Benefits. Therefore, the QPSA is not available if a Participant is not married at the time of death.

The Surviving Spouse of a Participant who is vested and has not received Retirement Benefits, will be eligible for a QPSA, payable for the Surviving Spouse's lifetime based on the Participant's eligibility for Retirement Benefits at the time of death as follows:

1. Death on or After Age 55. If a married Participant who is vested but has not received Retirement Benefits, dies after attaining age 55, the Participant's Surviving Spouse is entitled

to receive the same monthly Survivor Benefit, that would have been payable to the Participant's Spouse had the Participant retired with a 50% Joint and Survivor Annuity.

If the Participant was entitled to receive Pension Benefits on the date of death, benefits to the Surviving Spouse may be effective as of the first day of the month following the month in which the Participant died, subject to receipt of an application from the Surviving Spouse.

If a Participant was not eligible to receive Pension Benefits on the date of death, benefits to the Surviving Spouse may be effective the month following the date the Participant would have attained Normal Retirement Age, subject to receipt of an application from the Surviving Spouse.

2. Death Before Age 55 - Delayed Payment of Benefit. If a married Participant who is vested but has not received Retirement Benefits dies before attainment of age 55, payments to the Surviving Spouse will not begin until the month that the Participant would first have been eligible to receive a Retirement Benefit, subject to receipt of an application from the Surviving Spouse

The Surviving Spouse will begin receiving payments effective as of the later of the first day of the month following the Participant's death or the earliest retirement age the Participant could have retired under the Plan unless the Surviving Spouse elects a later date (but in no event later than December 31 of the calendar year in which you would have attained age 70.5). If your Surviving Spouse elects the Lump Sum Death Benefit described in Section B below instead of this benefit, the QPSA will not be paid.

B. Lump Sum Death Benefit (For Single Vested Participants - Optional for Married Participants)

This benefit applies if the following requirements are met:

- The Participant is vested; and
- Was credited with at least 300 hours in Covered Employment (excluding Contiguous Service and Pro-Rata Reciprocity) in at least one of the three (3) calendar years ending with the year of death; and
- Not otherwise eligible for the QPSA benefit set forth in Section A above; or
- The Surviving Spouse waives the QPSA benefit.

If the Participant was Totally and Permanently Disabled within three calendar years from the time last worked in Covered Employment until the date of death, the requirement of 300 hours of Covered Employment may be waived if the Participant suffered from a Total and Permanent Disability as defined on page 19.

The current death benefit is up to \$10,000 for each Plan Year that the Participant earned at least one (1) Benefit Credit. Partial Benefits will be allowed on a proportional basis for less than one (1) Benefit Credit in a Plan Year. However, no Benefit is payable for any Plan Year that the Participant had less than 300 hours reported from a Contributing Employer. The overall maximum benefit payable is \$300,000.

If there is not a valid Beneficiary Designation Form on file at the TFO on the Participant's date of death, Plan rules provide payment of any death benefits will be split equally to the first surviving class of successive preference as listed below:

- a. The Participant's legal Spouse on the date of death;
- b. If no surviving spouse, the Participant's children, if any, either natural or legally adopted (excluding stepchildren);
- c. If no children, the Participant's father and/or mother, if living;
- d. If no parents, the Participant's sisters and/or brothers, if living (excluding stepsiblings).

One half of this benefit is payable in equal monthly installments during the first twelve months, and one half in equal monthly installments during the next twenty-four months, following the date of death. Alternatively, the death benefit may be paid in an Actuarial Equivalent Lump Sum Payment.

ALERT: NO LUMP SUM DEATH BENEFIT IN LIMITED SITUATIONS

No Lump Sum Death Benefit is payable if a Participant was not vested at the time of death and was not credited with at least 300 hours of Covered Employment in at least one of the three calendar years ending with the year of death, unless totally and permanently disabled from the time the Participant stopped working in the Pipe Trades Industry until the date of death.

XIV. DESIGNATION OF BENEFICIARY

Each Participant should submit a fully completed Beneficiary Designation Form to the TFO.

A Participant may change a Beneficiary designation at any time prior to retirement, except if married, the Spouse must provide a notarized consent to any Beneficiary designation and the form of benefit. A fully completed valid Beneficiary Designation Form must be on file at the TFO on the Participant's date of death. The Plan will not release Beneficiary designation information over the phone, Participants are encouraged to retain a copy of their Beneficiary Designation Form.

ALERTS:

DIVORCE INVALIDATES BENEFICIARY DESIGNATION

If a divorce occurs and the Participant is not retired, any previous designation of a former Spouse as a Beneficiary is automatically revoked and is no longer valid. Therefore, if not yet retired, when the divorce is final, the Participant should immediately submit a new fully completed Beneficiary Designation Form to the TFO.

MARRIAGE INVALIDATES BENEFICIARY DESIGNATION

If a marriage occurs prior to retirement, any previous designation of a Beneficiary other than the new Spouse is automatically revoked and is invalid. Therefore, upon marriage, the Participant should immediately submit a new fully completed Beneficiary Designation Form to the TFO.

If deceased before Retirement Benefits have commenced being paid to the Participant and if no Beneficiary has been designated or no designated Beneficiary has survived the Participant, distribution of the Retirement Benefit will be made as referenced in Section B above.

If a Beneficiary fails to respond to the TFO requests within 180 days of the Participant's death, the Pre-Retirement or Post-Retirement Death Benefit may be issued payable to the Participant's Estate.

XV. DEFERRAL OF TAXES/TAX WITHHOLDING/ROLLOVERS

A. Deferral of Taxes

The Participant will be responsible for paying taxes when Retirement Benefits commence. The amount of taxes owed will depend on when and how benefits are paid and on the tax laws in effect at the time (as well as your tax bracket). The Plan is required by federal law to withhold 20% Federal Tax for certain lump sum distributions.

B. Tax Withholding Rules on Monthly Pension Payments

The tax laws require that the Pension Plan withhold Federal Income Tax from most monthly benefit payments unless elected by the Participant, in writing, not to have the tax withheld. The amount and form of the benefit generally determines if mandatory withholding applies. However, if a Participant lives outside the United States, different withholding rules may apply. If a Participant resides in the State of California, the Participant also has the option of having California State Tax withholding. Consulting with a tax advisor is recommended.

Federal law permits a Participant to change or revoke the amount withheld from Retirement Benefit payments at any time. The withholding election will remain in effect until revoked or changed in writing. Any election not to have withholding apply is prospective only. Participants are responsible for their individual tax liabilities for Federal and State.

The Plan reports to both the IRS and the California Franchise Tax Board on Form 1099-R which will be mailed in January of the following year.

C. Rollovers

Because this Plan is a Defined Benefit Pension Plan providing monthly Retirement Benefits to Plan Participants, the IRS Rollover rules do not have a significant impact on this Plan. However, lump sum death benefits paid from the Plan are subject to the rollover rules. If a Participant is eligible to receive benefits in a lump sum or in periodic payments of less than ten years, the distribution may qualify for "rollover" treatment. This includes certain payments to Spouses. A rollover is a payment of Plan benefits to a traditional Individual Retirement Arrangement ("IRA") or to another qualified Employer Plan. A traditional IRA does not include a Roth IRA, SIMPLE IRA, or a Coverdell Education savings account. The choice will affect the tax owed by the Participant or Beneficiary. Additional information on rollovers is available upon written request to the TFO. For a Non-Spouse Beneficiary, a rollover may be made to an Inherited IRA.

D. Many Distributions/Payments Not Eligible for Rollover

A distribution cannot be rolled over under the following conditions:

- 1) In a series of equal (or almost equal) periodic payments for the life of the Participant or the joint lives of the Participant and Spouse or other Beneficiary, or
- 2) As a Required Minimum Distribution ("RMD") beginning on April 1st of the year following the year age 70.5 is attained (or thereafter). Therefore, a Pre-Retirement Survivor Annuity paid to a Surviving Spouse and payments to non-Spouse Beneficiaries may not be rolled over because the RMD is based on the age of the Participant. There may be other benefits that may not be rolled over. It is recommended to consult with a tax advisor.

XVI. POTENTIAL LOSS AND/OR DELAYED PAYMENT OF BENEFITS

A Participant or Beneficiary could suffer a loss in the benefit amount or have payments delayed in any of the following circumstances:

A. Insufficient Pension Credit (Not Eligible for Benefits)

To be eligible for benefits, a Participant must meet the Plan's eligibility requirements. If a Participant fails to accrue the minimum years of Vesting Credit (to become vested) the Participant will not be entitled to a Pension Benefit.

B. Inadequate or Improper Evidence

The Plan grants the Board of Trustees the power to deny, suspend, or discontinue benefits to a Participant who fails to submit at the request of the TFO any information or proof reasonably required to administer the Plan.

C. Domestic Relations Order Approved by Court (Divorce or Child/Family Support Order)

A Court may approve a QDRO which assigns a portion or all of a Participant's Retirement Benefits to an Alternate Payee, or for family support, or child support. The Plan may also delay paying benefits or withhold a portion of a Participant's Retirement Benefits if the Plan has received notice of a divorce action even if there is no final filed QDRO or the order has not been approved by the Plan's Legal Counsel.

D. Break in Service (failure to work in Covered Employment)

A Permanent Break in Service which occurs before you become vested has the effect of forfeiting all years of Vesting Credits and Benefit Credits.

E. Prohibited Employment in the Pipe Trades Industry

If after retirement a Participant engages in certain kinds of work in the Pipe Trades Industry, known as Prohibited Employment, Retirement Benefits will be suspended as described in Section XI. Retirement Benefits may also be suspended for failure to comply with a request from the TFO for information promptly, completely and in good faith.

F. Retire, Return to Work, and Retire Again

If a Participant retires and later returns to work in Prohibited Employment, you will not be eligible to retire again and commence receiving your benefits until attaining age 65, with certain exceptions.

G. Fail to File Complete Application

No benefits are payable until a completed Application and other Plan required forms are received at the TFO. Failure to respond to a request for information from the TFO, after 90 days will result in the Application being closed.

H. Incomplete Information/False Statements

Failure to provide requested information or providing false information to verify disability, age, Beneficiary information, marital status, or other vital information, may result in payment of Retirement Benefit payments being postponed. If false statements are made to the Plan or other officials regarding the payment of benefits or other issues related to the Plan, the Participant will be liable to the Plan for:

- Any benefits paid in reliance on such false statements or information, and
- Any legal fees and costs incurred in effecting recovery or which were incurred because of the false statement or information, and
- Costs incurred by the TFO, including reasonable legal fees, and interest charges.

The Plan may deduct any such fees and costs from any benefits otherwise payable.

I. IRS Benefit/Contributions Limits

A Participant's annual benefits cannot exceed the maximum amount allowed by the Internal Revenue Code and applicable IRS regulations. Although the Trustees do not foresee this occurring, the Plan contains provisions to address this situation.

J. Death

If a Participant dies prior to meeting the Plan's death benefit requirements or fails to designate a Beneficiary, or no eligible Beneficiary can be located, no benefits will be paid.

K. Pension Protection Act ("PPA") under federal law

If the condition of the Plan were to decline in such a manner that would cause it to be an "endangered" Plan under the PPA, the Board of Trustees may decrease Retirement Benefits.

L. Refund Overpayments

If the Plan mistakenly makes a Benefit overpayment, the Participant or Beneficiary will be required to reimburse the Plan, including any applicable legal fees and costs to recover the overpayment.

M. Beneficiary Dispute - Potential Interpleader Action

If there is a dispute between or among Beneficiaries, the Plan may be required to file an interpleader or other court action seeking guidance from the Court on whom to make a distribution. The legal fees and costs associated with any such dispute, including any legal action, may be recovered from the Benefits that may be payable.

N. Plan Termination

If the Plan were to terminate, the procedures for allocation of Plan assets on termination may result in a reduction or loss of Plan Benefits if the assets of the Plan are inadequate to cover the actuarial value of all accrued Benefits. The Federal Pension Benefit Guaranty Corporation ("PBGC") guarantees only a specified level of benefits.

XVII. CLAIMS AND APPEALS PROCEDURES

A. Claims and Appeals Procedures

The Plan Document which includes all Amendments and claims and appeals procedures that must be followed, is available for review at the TFO by appointment or upon written request. Read the procedure thoroughly before filing a claim or a lawsuit regarding benefits or the Plan.

The purpose of the claims and appeals procedures is to make it possible for claims and disputes to be resolved fairly and efficiently without necessitating costly litigation and legal fees. No lawsuit affecting the Plan may be brought unless the Plan's claims and appeals procedures are followed first.

B. Your Right to Appeal

You may request that the Board of Trustees review a denied claim or request for benefits or adverse benefit determination. This is also known as an appeal. You have the right to petition on the Board of Trustees to review a claim if:

- Your claim or any part of your claim was denied.
- You believe you did not receive the full amount of benefits to which you are entitled.
- You feel that the reason(s) for the denial were in error or disagree with a decision made on a claim or request for benefits.

C. Your Right to Information

You have the right to receive, upon written request, reasonable access to and copies of all documents, records or other relevant information that was submitted, generated by the Plan, considered or relied upon in making a decision on your claim. This includes your right to receive copies of any internal rules, guidelines or protocols that may have been relied upon in making the decision. If the decision was based on a medical judgment (e.g. disability retirement), you may request that the Plan provide you with an explanation of the medical or scientific basis for the determination. The Plan will not charge for any information you request that is described in this section.

D. How to Appeal

You or your authorized representative (someone you name to act for you) must send a written request for review to the Board of Trustees. The individual(s) reviewing your appeal will be independent from the individual(s) who reviewed your initial request for benefits. Your request must be in writing and should include the following:

- Your name and last four digits of your Social Security number.
- A statement that you are filing an appeal.
- Sufficient information to identify the decision you are appealing such as the type of benefit denied.
- The reason(s) you believe your claim should not have been denied or a different amount should have been paid.
- A summary of all the facts known to you that relate to your request for review, including the names and addresses of persons who have knowledge of any facts regarding your case.
- Copies of any documents, records, or other material that you believe are important for the Trustees to review your claim.
- Mail your appeal to the attention of: Board of Trustees, Northern California Pipe Trades Pension Trust sending your appeal to the TFO.

E. Time Limits to File Your Appeal

You must file the appeal with the Board of Trustees within 60 days after you received notice of the denial. However, for a claim for disability-related benefits based on a physician's report, your appeal must be filed within 180 days after your receipt of the denial. **The failure to file an appeal within the above time periods constitutes a waiver of your right to review under these procedures or in a court of law. Consequently, the initial decision will be final and binding. No lawsuit may be filed without first exhausting these appeals procedures. Under the Plan document, you have one (1) year from the date of the denial of your appeal to file a lawsuit.**

F. The Board's Decision on Your Appeal

The Board of Trustees will review your appeal at the next regularly scheduled meeting following the request for review, unless your appeal is received within thirty (30) days preceding the date of such meeting, or special circumstances exist requiring additional time. In such case, a benefit determination may be made no later than the date of the second meeting following the Plan's receipt of the appeal request. The Trustees will review your submitted comments, documents, and other information related to your appeal, regardless of whether the information was submitted or considered in the original decision. The Board of Trustees or its delegate will attempt to notify you in writing of the Board of Trustees decision on an appeal within five (5) days after the benefit determination is made. If your appeal is denied, you have the right to bring a civil action under ERISA (Employee Retirement Income Security Act of 1974), Section 502(a). Under the Plan document, you have one year from the date of the denial of your appeal to file a lawsuit.

G. Additional Information

If you have any questions about your coverage or benefits, you may contact the TFO.

H. Disability Claims and Appeals

Appeals involving disability claims and/or determinations are required to be reviewed within 45 days of the Plan's receipt of the appeal unless special circumstances exist. An extension of time up to 30 days may be necessary due to matters beyond the control of the Plan. The Plan will follow the Disability Claims and Appeal guidelines established by the Department of Labor to the extent applicable.

Any notice of extension to decide the claim will include, the standards on which entitlement to the benefit is based; the unresolved issues that prevent a decision on the claim and the additional information needed to resolve those issues. You then have at least an additional forty-five (45) days to provide the requested information, if any. The deadline for the Board of Trustees to render its decision is tolled from the date on which the notification of the extension is sent to you until the date a response is received.

A notice of the Plan's denial of your benefit determination on your claim (an "adverse" benefit determination) will include, in addition to the reasons for the denial, (1) the specific rule, guideline, protocol, or other similar criterion, if any, relied upon in making the determination; and (2) an explanation of the scientific or clinical judgment for the determination if the adverse benefit determination was based on medical necessity or other similar exclusion or limitation.

If the application or request for benefits is denied in whole or in part, you or your duly authorized representative, may petition the Board of Trustees for review of the decision. You should file the petition for review with the TFO within one hundred and eighty (180) days of receipt of the

notification of adverse benefit determination. You may have access to relevant documents, records, and other pertinent information, including any statement of policy or guidance with respect to the Plan concerning the denied treatment option or benefit for your diagnosis, without regard to whether such advice or statement was relied upon in making the benefit determination. If the adverse benefit determination is based in whole or in part on a medical judgment, the Trustees will consult with a health care professional with appropriate training and experience in the field of medicine involved in the medical judgment. Such consultant shall be different from any individual consulted in connection with the initial determination or the subordinate of any such person.

The Plan will provide you with a written notice of its decision on the appeal. Any notice of adverse benefit determination on the appeal will include, in addition to the reason for the denial, (1) the specific rule, guideline, protocol, or other similar criterion, if any, relied upon in making the determination; and (2) an explanation of the scientific or clinical judgment for the determination if the adverse benefit determination was based on medical necessity or other similar exclusion or limitation.

I. One Year Limitation Period for Filing Lawsuits

Upon exhausting the above claims and appeal procedures, if you are still not satisfied, your next step is to file a lawsuit if you so desire. Pursuant to the Plan Document, no legal action may be commenced or maintained against the Plan, a Trustee, the Board of Trustees, or other persons or entities involved with the denial or decision on appeal more than one (1) year after your appeal was denied.

XVIII. AMENDMENT/MERGER OR MERGER OF PLAN

A. Amendment of Plan

The Board of Trustees has the discretion to amend the Plan at any time. In addition, if the Collective Bargaining Agreement is amended by the insertion or deletion of provisions relating to the Plan, the Board of Trustees will amend the Plan to effectuate the intent of the amendment to the Collective Bargaining Agreement, unless such amendment conflicts with applicable law or is actuarially unsound.

Any amendment may apply to all groups and/or Participants covered by the Plan or only to certain groups of Participants. Retroactive amendments may be made to the extent permissible under ERISA. Except as is permitted or required by applicable law, no amendment may divest any accrued benefits which have previously been vested.

B. Merger or Consolidation

In the event of a merger or consolidation of the Plan with, or transfer in whole or in part, of the assets or liabilities of the Plan to any other Pension Plan, each Participant is entitled to a benefit immediately after the merger, consolidation or transfer which is at least equal to the benefit such Participant would be entitled to receive before such merger, consolidation, or transfer.

C. Termination of Plan

It is anticipated that the Plan is permanent and will continually be in operation. It is, however, legally necessary to consider the possibility of termination of the Plan and to state the rights of the Participants in such an unlikely event.

The parties to the Collective Bargaining Agreements between UA Local 342 and the various Employer Associations may terminate the Plan in whole or in part. Although there is no intent to terminate the Plan, there is no guarantee that the Plan will last indefinitely.

D. Benefit Guaranty/PBGC Guarantees Certain Benefits

If the Plan were to terminate, Plan benefits are insured by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. Currently the Plan pays an annual insurance premium per Participant to the PBGC. The PBGC does not, however, guarantee all types of benefits and the amount of guaranteed benefit protection is limited.

Under PBGC's multiemployer plan termination program, the PBGC provides financial assistance through loans to Plans that are insolvent. A multiemployer plan, such as the NCPT Plan, is considered insolvent if the Plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due. Before a Plan receives financial assistance from the PBGC, it must suspend payments in excess of the guarantee level.

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantees a monthly benefit payment equal to 100% of the first \$11 of the Plan's monthly benefit accrual rate, plus 75% of the next \$33 of the accrual rate, multiplied by each year of credited service. The PBGC's maximum guarantee limit is \$35.75 per month multiplied by a Participant's Years of Credited Service. Therefore, the maximum annual guarantee for a pensioner with 30 Years of Service would be \$12,870. **These amounts could change in the future.**

The PBGC guarantees vested benefits at the level in effect on the date of Plan termination subject to the maximum limits set forth above. If, however, benefits have been increased within the five years before Plan termination or insolvency, the whole amount of the Plan's vested benefits or the benefit increase that has been in effect for less than 12 full months before the Plan terminates may not be guaranteed.

The maximum PBGC guarantee is lower if benefits begin before age 65, if benefits are paid in a form other than a straight life annuity and for certain disability and survivor benefits. Non-vested Benefits are not guaranteed by the PBGC.

For more information on PBGC insurance protection and its limitations, you may contact the PBGC as follows:

PBGC's Technical Assistance Division
1200 K Street, N.W., Suite 930
Washington, D.C. 20005-4026.

The PBGC can be reached at 202/326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 800/877-8339 and ask to be connected to 202/326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at www.pbgc.gov.

XIX. ADDITIONAL INFORMATION REQUIRED BY ERISA

A. Name and Type of Plan. The name of the Plan is the Northern California Pipe Trades Pension Plan ("Plan"). The Plan is a Defined Benefit Pension Plan exempt from income tax under Section 401(a) of the Internal Revenue Code.

B. Plan Administrator. The Board of Trustees is the designated Plan Administrator of the Plan under ERISA. The Board is responsible for the operation and administration of the Plan, including ensuring that information regarding the Plan is reported to governmental agencies and disclosed to Plan Participants and Beneficiaries in accordance with ERISA. The Board has designated Kim Biagi to be the Fund Manager for the Plan.

Kim Biagi, Fund Manager
Northern California Pipe Trades Pension Plan
935 Detroit Avenue, Suite 242A
Concord, CA 94518-2501
925/356-8921 Fax: 925/356-8938
E-mail: tfo@ncpttf.com

C. Agent for the Service of Legal Process. Designated agents for service of legal process are:

Richard K. Grosboll and/or Lois H. Chang
Neyhart, Anderson, Flynn & Grosboll
369 Pine Street, Suite 800
San Francisco, CA 94104-3323
415/677-9440

Service of legal process may also be made upon the Fund Manager, any Plan Trustee, or the Board of Trustees, at the addresses listed on page v of this booklet.

D. Plan Year. As of January 1981, the Plan Year commences on January 1 and ends on December 31.

E. Employer Identification Number. The Internal Revenue Service Employer Identification Number (EIN) for this Plan is 94-3190386. The Plan Number is 001.

F. Funding Contributions and Collective Bargaining Agreements. The Plan is maintained in accordance with Collective Bargaining Agreements between the UA Local 342 and certain designated Employer associations (and some individual Employers), which require Employers to contribute to the Plan. There are no Employee contributions to this Plan. The TFO will provide you upon written request with information on whether an Employer for whom you work is contributing to the Plan.

G. Fund Medium/Investments. Assets of the Plan are held in Trust. Plan assets are held in custody by Comerica. The Board of Trustees has delegated to Verus Investments, the Plan's Investment Consultant, the responsibility of helping the Board of Trustees develop an Investment Policy and select Investment Managers to manage the Plan's assets.

H. Gender and Number. In all situations, whenever any words are used in this Plan in the masculine gender, they should be construed as though they were also used in the feminine gender and the singular the plural where they would so apply.

STATEMENT OF ERISA RIGHTS

RIGHT TO RECEIVE INFORMATION ABOUT THE PLAN AND YOUR BENEFITS

A. Your Rights as a Participant. As a Participant in the Plan, you are entitled to certain rights and protections under the employee Retirement Income Security Act of 1974 ("ERISA"). ERISA provides that Participants are entitled to:

- Examine, without charge, at the TFO and at other specified locations such as work sites and the Union Office, documents governing the Plan, including Collective Bargaining Agreements and the annual report (Form 5500 series) filed with the Department of Labor.
- Obtain copies of Plan documents and other information required by law, upon written request to the Plan. Pursuant to ERISA, the TFO may require that you pay a reasonable charge for the copies (not to exceed 25 cents per copy).
- Receive a summary of the Plan's funding status, and value of the Plans assets and liabilities, known as an Annual Funding Notice ("AFN"). The Plan is required by law to provide the AFN to each Participant annually.
- Receive a statement informing you whether you have a right to receive a pension at Normal Retirement Age and if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

B. Prudent Action by Fiduciaries. In addition to creating rights for Plan Participants, ERISA imposes duties upon the people responsible for operating the Plan. The people who operate your Plan, called "fiduciaries," have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries.

No one, including your Employer, your union, or any other person or entity, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

C. Enforcing Your Rights. If a claim for a Retirement Benefit is denied in whole or in part, the Participant must receive a written explanation of the reason for the denial. The Participant has the right to have the Plan review and reconsider a claim.

Under ERISA, there are steps a Participant can take to enforce the above rights. For instance, if a Participant should request materials from the Plan and not receive them within 30 days, the Participant may file suit in federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay the Participant up to \$110 a day until the materials are received by the Participant, unless the materials were not sent because of reasons beyond the control of the Administrator or as determined by a Court.

If the Participant has a claim for benefits which is denied or ignored in whole or in part, and which is upheld on appeal (or ignored), you may file a lawsuit. In addition, if the Participant should disagree with the decision of the Plan or lack thereof concerning the qualified status of a domestic relations order, the Participant may file suit in federal court.

If Plan fiduciaries misuse the Plan's money or other assets, or if a Participant is discriminated against for asserting his or her rights, the Participant may seek assistance from the U.S. Department of Labor, or may file suit in a federal court. If a Participant should file a lawsuit, the court will decide who should pay court costs and legal fees. If the Participant should prevail, the court may order the person(s) sued to pay court costs and fees. Otherwise, the court may order the Participant to pay the court costs and fees of the Trust or other defendants (e.g., your claim was frivolous).

If you have any questions about your Plan, you may contact the TFO.

D. Assistance With Your Questions. If you have any questions about the Plan, you should contact the TFO. If you have any questions about this statement or about your rights under ERISA or if you need assistance in obtaining documents, you should contact the nearest office of the Employee Benefits Security Administration (“EBSA”), U.S. Department of Labor at 866/444-3272 or write to the Department’s national office at the following address:

Division of Technical Assistance and Inquires
U.S. Department of Labor
Employee Benefits Security Administration
200 Constitution Avenue NW
Washington, D.C. 20210

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the EBSA’s Brochure Request Line at 866/444-3272 or contact the EBSA field office nearest you.

You may find answers to your questions and a list of EBSA offices at www.dol.gov.

