



2018 ANNUAL SAFE HARBOR 401(K) NOTICE

INTRODUCTION

This document provides a brief summary of certain rights and obligations of Participants under the Northern California Pipe Trades Supplemental 401(k) Retirement Plan ("Plan") as required by Federal law. Most, if not all, of the information in this Notice has previously been provided to you in various notices or communications. The information informs you of: (1) how much you can contribute to the Plan relating to your own deferral contributions; (2) what other amounts the employer will contribute to the Plan for you pursuant to the Master Labor Agreement (MLA); and (3) when your Plan account will be vested and when you can receive a distribution of your Plan account. If you have additional questions after reading this Notice, please read your Summary Plan Description ("SPD") or contact the Plans' administrator and Record Keeper, Kaufmann & Goble.

EMPLOYEE BEFORE-TAX CONTRIBUTION DEFERRALS

You may elect to make contributions on a "before-tax" basis from your wages* to the Plan through an employee election depending upon your Collective Bargaining Agreement. For 2018, the deferral amounts are: \$2.00; \$4.00; \$6.00; \$8.00; and \$10.00 per hour, which are referred to as 401(k) contributions. These amounts are referred to as deferrals and are held in an account for you. The deferral amounts could be limited under certain Collective Bargaining Agreements. Furthermore, your total deferrals in any taxable year may not exceed a dollar limit which is set by law. For instance, for 2018 the annual limit on elective deferrals is \$18,500. The dollar limit may increase in some years for cost-of-living adjustments. The amount you elect to defer, and any earnings on that amount, will not be subject to income tax until it is actually distributed to you.

If you are at least age 50 or will attain age 50 during a calendar year, then you may elect a deferral amount of \$12.00 per hour (called "catch-up contributions") to the Plan. Employees who are age 50 or older, may defer, up to the annual limit imposed by law (for 2018 the amount is \$6,000 or a total of \$24,500), regardless of any other limits imposed by the Plan. This amount could increase in future years based on IRS guidance.

**Wage means your gross earnings during the Plan Year for work rendered by a Participant which includes wages, salaries, commissions, overtime pay, bonuses and other amounts received for work actually rendered in the course of employment with the Employer maintaining the Plan.*

PERIODS AVAILABLE FOR MAKING OR CHANGING ELECTIONS

You may elect to defer before-tax contributions deferred to the 401(k) Plan once a year. The election to make a deferral or modify your prior deferral occurs before the Plan year. This usually takes place in November and will be effective with your January hours. Your election will remain in place until the next election period. Please contact the UA Local 342 for more information.

EMPLOYER MANDATORY NONELECTIVE CONTRIBUTION

If you are a Plan Participant and pursuant to the applicable Collective Bargaining Agreement for your Classification, your Employer is required to contribute up to \$5.00 per hour for covered employment to the Plan. Employer Contributions are referred to as 401(a) contributions, and are not included in the 401(k) deferral limits as noted above. Please note, the mandatory contribution amount may be different under certain Collective Bargaining Agreements and for apprentices. This mandatory Employer contribution is due within the time period required by the Collective Bargaining Agreement. This amount will likely change in the future. Other than the mandatory Employer contributions described above there are no other Employer contributions to the Plan.

VESTING

You are always 100% vested (which means that you are entitled to all of the amounts) in your accounts attributable to employee deferrals including catch-up contributions, rollover contributions, and Safe Harbor Employer contributions. It is possible that your Individual Account balance could decrease based on the Plan's investment yields (which vary each business day) and Plan expenses. For more information on vesting rules, please refer to your Summary Plan Description ("SPD").

DISTRIBUTION

The Plan and law impose restrictions on when you may receive a distribution from the Plan. Generally, you may receive a distribution by satisfying any one of the following requirements: upon attainment of age 59 ½, limited distribution at age 55 and/or separation of employment, when you have ceased working in the Pipe Trades Industry and have retired under the NCPT Pension Plan, upon termination of covered employment, upon total or partial disability, or death. Please refer to Pages 11 – 13 of the SPD for more details, including details on how benefits are paid. Also, at the time you are entitled to receive a distribution, the Plan will provide you with a notice explaining the rules regarding the taxation of the distribution.

The Plan permits Participants who meet certain requirements to obtain a loan from their Individual Account. Any approved loan must be repaid to the Plan. The loan program is administered by the United Association of Credit Union. Please refer to Pages 21 -24 of the SPD for more information on the Plan's Loan program or contact the Credit Union at (925) 686-1044 or via e-mail uacu342@yahoo.com for questions.

HOW TO OBTAIN ADDITIONAL INFORMATION

The Plan has hired Kaufmann & Goble as the Plan's administrator and Record Keeper. Questions relating to day-to-day administration, processing of distribution request forms and quarterly statements can be directed to Kaufmann & Goble as follows:

Kaufmann & Goble
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