

NORTHERN CALIFORNIA PIPE TRADES TRUST FUNDS FOR UA LOCAL 342

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NOVEMBER 2015

TO: ACTIVE and RETIRED PARTICIPANTS

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

The Board of Trustees continues to face difficult decisions with regard to the Health and Welfare Plan due to the continued escalation in the costs of health care premiums. In order to help keep the Health and Welfare Plan financially viable, the Board of Trustees has found it necessary to eliminate the Disability Extension Benefit for Active Participants.

In addition, the Board of Trustees has amended the Plan to clarify a Participant’s work status requirements under the Active Subsidized Self-Payment Benefit and correct typographical and numbering errors under the Retiree Health and Welfare Plan and Vision Benefits sections.

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

**A. ACTIVE SUBSIDIZED SELF-PAYMENT – Plan Amendment
ACTIVE Participants
Article X, Sections A.1. and A.2. – Effective January 1, 2016**

Effective January 1, 2016, the Plan has clarified the Active Subsidized Self-Payment Benefit requirement pertaining to a Participant’s work status. Specifically, a Participant must either be: (a) disabled for at least 14 consecutive days in the calendar month prior to his/her loss of coverage and be receiving either Workers’ Compensation Benefits, State Disability Insurance Benefits, or Social Security Disability Benefits; or, (b) be on UA Local 342’s out-of-work list and be available for work; or, (c) have returned to work and are working short hours.

1. Active Subsidized Self-Payment coverage includes only Medical, Prescription Drug, Life and Accidental Death and Dismemberment Benefits (not Dental, Orthodontia, Hearing Aids, and Vision) and is available only to Participants working in a Classification that provides this benefit and who meet ALL of the following Plan Rules:
 - i. Must be a member in good standing with UA Local 342; and
 - ii. Is not (and has not) performed non-covered work in the Pipe Trades Industry; and
 - iii. Must be either: (a) disabled for at least 14 consecutive days in the calendar month prior to his/her loss of coverage and receiving either Workers’ Compensation Benefits, State Disability Insurance Benefits, or Social Security Disability Benefits; -or- (b) be on UA Local 342’s out of work list and be available for work; -or- (c) have returned to work and worked short hours; and
 - iv. Must have been covered under the Plan for at least twelve (12) consecutive months immediately preceding loss of coverage based on: (a) hours worked in a Classification that provides this Benefit; and/or (b) Reserve Hour Bank based on a Classification that provides this Benefit; and/or (c) months of extended coverage due to disability; and/or Active Subsidized Self-Payment (excluding COBRA coverage); -or- the Participant must have worked a minimum of 1500 hours in a Classification that provides this Benefit during the 24 months immediately preceding the loss of coverage; and

- v. Participant and/or current or former spouse and/or other Dependent must not owe any money (unless on an approved payment plan) to the Northern California Pipe Trades Health and Welfare Plan, the Northern California Pipe Trades Pension Plan, The Northern California Pipe Trades Supplemental 401(k) Retirement Plan, or any other entity administered by the Northern California Pipe Trades Trust Fund Office; and
- vi. Must have their monthly payment(s) received at the bank by no later than the 20th day of the coverage month.

Depending upon a Participant's Classification, a Participant may be eligible for up to a maximum of twelve (12) or four (4) consecutive months of Active Subsidized Self-Payments and may receive an overall maximum of eighteen (18) months or six (6) months of Active Subsidized Self-Payments in each month's previous consecutive thirty-six (36) month period (i.e. rolling 36 months). *EXAMPLE: If a Participant loses coverage in December 2015, the Plan would look at the number of Active Subsidized Self-Payments made by the Participant in the 36 month period through December 2015 (January 2013 through December 2015).*

After exhausting Active Subsidized Self-Payments, the eighteen (18) month COBRA continuation period will be reduced by the number of Active Subsidized Self-Payments made. After electing Active Subsidized Self-Payments, if a Participant chooses to continue coverage through COBRA, he/she may only elect the Core coverage option (Medical and Prescription Drug coverage). *EXAMPLE: A Participant is eligible to make twelve (12) months of Active Subsidized Self-Payments; he/she may continue to make COBRA payments for Core coverage only for up to an additional six (6) months after exhausting Active Subsidized Self-Payments.*

2. Special Plan Rules for Residential and Tradesman/Service and Other Special Contract Employees. Active Subsidized Self-Payment coverage includes only Medical, Prescription Drug, Life and Accidental Death and Dismemberment Benefits (not Dental, Orthodontia, Hearing Aids, and Vision) and is available only to Participants who meet ALL of the following Plan Rules:
 - i. Must be a member in good standing with UA Local 342; and
 - ii. Is not (and has not) performed non-covered work in the Pipe Trades Industry; and
 - iii. Must be either: (a) disabled for at least 14 consecutive days in a calendar month and receiving either Workers' Compensation Benefits, State Disability Insurance Benefits, or Social Security Disability Benefits the month prior to his/her loss of coverage; -or- (b) be on UA Local 342's out of work list and be available for work; -or- (c) have returned to work and worked short hours; and
 - iv. Must have been covered under the Plan for at least twelve (12) consecutive months immediately preceding loss of coverage based on: (a) hours worked in a Classification that provides this benefit; and/or (b) Reserve Hour Bank based on a Classification that provides this benefit; and/or (c) months of extended coverage due to disability; and/or Active Subsidized Self-Payment (excluding COBRA coverage); -or- the Participant must have worked a minimum of 1500 hours in a Classification that provided this benefit during the 24 months immediately preceding the coverage termination date; and
 - v. Participant and/or current or former spouse and/or other Dependent must not owe any money (unless on an approved payment plan) to the Northern California Pipe Trades Health and Welfare Plan, the Northern California Pipe Trades Pension Plan, The Northern California Pipe Trades Supplemental 401(k) Retirement Plan, or any other entity administered by the Northern California Pipe Trades Trust Fund Office; and
 - vi. Must have their monthly payment(s) received at the bank by no later than the 20th day of the coverage month.

A Participant may be eligible for up to a maximum four (4) consecutive months of Active Subsidized Self-Payments and may receive an overall maximum of six (6) months of Active Subsidized Self-Payments in each month's previous consecutive thirty-six (36) month period (i.e. rolling 36 months). *EXAMPLE: If a Participant loses coverage in December 2015, the Plan would look at the number of Active Subsidized Self-Payments made by the Participant in the 36 month period through December 2015 (January 2013 through December 2015).*

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

B. DISABILITY EXTENSION – Plan Amendment
ACTIVE Participants
Article X, Section B – Effective December 1, 2015

Effective for disability claim effective dates on or after December 1, 2015, the Plan has eliminated the Disability Extension Benefit.

A Participant with a disability claim effective date on or after December 1, 2015, may continue coverage through either COBRA Continuation Coverage or, if the Participant qualifies, Active Subsidized Self-Pay.

The Plan will allow an extension of coverage under the Disability Extension Benefit through February 2016 eligibility ONLY, for any Participant working in a Classification that provided this benefit who: (a) meets ALL of the Disability Extension Benefit eligibility requirements as outlined in the Summary Plan Description; (b) has a disability claim effective date prior to December 1, 2015; and (c) whose Disability Extension Benefit Application is received at the Trust Fund Office by no later than December 31, 2015. Effective with March 2016 eligibility, a Participant who was granted eligibility through February 2016 under the Disability Extension Benefit may continue coverage through either COBRA Continuation Coverage or, if the Participant qualifies, Active Subsidized Self-Pay.

C. RETIREE HEALTH AND WELFARE PLAN – Plan Amendment
ACTIVE and RETIRED Participants
Article XIII, Section A.1. – Effective July 1, 2015

Effective July 1, 2015, the Plan has corrected a numbering error under the General Requirements section. Effective July 1, 2015, this item number is being corrected from “(3)” to “(2)”.

- (2) Have at least 15 years of Benefit Credits and 15 years of Vesting Credits at any age **or** at least 13 years of Benefit Credit and 13 years of Vesting Credit for Participants age 55 or over, exclusive of (a) Pro Rata Reciprocal Credits and/or (b) Vesting Credit for Contiguous Service as defined in the Northern California Pipe Trade Pension Plan, **and** Retiree Health and Welfare contributions have been made for the same years of required Benefit Credits (15 years or 13 years excluding COBRA payments and Incoming Reciprocity).

If a Participant was on an authorized leave of absence due to Military Service in the Armed Forces of the United States or was in the Reserves and drafted to Active Duty, in accordance with the Veterans’ Readjustment Assistance Act, the Uniformed Services Employment and Reemployment Rights Act of 1994, and/or other applicable Federal Law, the Plan will allow up to a maximum of five (5) years of Military Service Credits toward eligibility for Retiree Health and Welfare Benefits assuming the Plan Participant met the Eligibility Requirements for Military Service Vesting Credits and Benefits Credits.

Only service in the Armed Forces of the United States for which Military Service Credit is required under the above-referenced Federal Laws will be considered under this subsection.

Military Service Credits (Benefit Credits and Vesting Credits) will not apply toward Retiree Health and Welfare Benefits when Military Service is voluntary or for enlistment in the Reserves.

D. RETIREE HEALTH AND WELFARE PLAN – Plan Amendment

ACTIVE and RETIRED Participants

Article XIII, Section A.6. – Effective July 1, 2015

Effective July 1, 2015, the Plan has corrected numbering errors under the Retiree Coverage for Individual Employers / Associations / Related Groups section. Specifically, the item numbering is being corrected from “(4) to (6)” to “(3) to (5)”.

Retiree Coverage for Individual Employers / Associations / Related Groups: Retiree coverage may be maintained for Non-Bargaining Unit Employees and Owner/Manager Employees and their eligible Dependent(s) or their eligible Surviving Dependents at the same monthly premium rate as other eligible Retirees or Surviving Dependents under the Retiree Health and Welfare Plan, who satisfy **at least three (3)** of the following five (5) conditions:

- (1) The Participant/Retiree is a UA Local 342 Member in good standing;
- (2) The Participant/Retiree has a minimum of five (5) years of Vesting Service Credit with contributions from UA Local 342 Employers (e.g., not by way of Pro Rata Reciprocal Credits);
- (3) The Participant/Retiree is 58 years of age or older;
- (4) The Participant/Retiree has a minimum of fifteen (15) years in which contributions (exclusive of COBRA) have been made to the Northern California Pipe Trades Health and Welfare Plan; and
- (5) The Participant/Retiree served as a Trustee and/or Alternate Trustee and/or was employed at a related entity for a minimum of ten (10) years (120 months) with at least six (6) months of Active Health and Welfare coverage in the twenty-four (24) months immediately preceding Retiree Health and Welfare coverage.

In addition, Surviving Dependent coverage will apply under the same criteria as other Surviving Dependents.

E. VISION BENEFITS – Plan Amendment

ACTIVE and RETIRED Participants

Article XVI, Section 2.b.(2) – Effective July 1, 2015

Effective July 1, 2015, the Plan has corrected a typographical error in the frequency of necessary replacement on frames for Active and Retired Participants.

Frames are available once every 12 months (for eligible **ACTIVE** Participants and Dependents) and 24 months (for eligible **RETIRED** Participants and Dependents) if replacement is necessary; frames of your choice are covered up to a Plan Allowance of \$120.00 plus 20% off any out-of-pocket expense.

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

Respectfully submitted,

Fund Manager

On Behalf of the Board of Trustees