

NORTHERN CALIFORNIA PIPE TRADES TRUST FUNDS

Health & Welfare • Pension • Supplemental Pension

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July 2008

SUMMARY OF MATERIAL MODIFICATIONS TO THE NORTHERN CALIFORNIA PIPE TRADES (NCPT) HEALTH AND WELFARE PLAN, NORTHERN CALIFORNIA PIPE TRADES (NCPT) PENSION PLAN, AND NORTHERN CALIFORNIA PIPE TRADES (NCPT) SUPPLEMENTAL PENSION PLAN

A. RECOVERY OF AMOUNTS OWED TO THE NCPT HEALTH AND WELFARE PLAN, AND/OR THE NCPT PENSION PLAN, AND/OR SUPPLEMENTAL PENSION PLAN

The Boards of Trustees of the above-named employee Benefit Plans have amended the Plans to address the situation of ineligible Dependents, such as a former spouse, boyfriend/girlfriend, or any other ineligible Dependent, having been improperly enrolled and/or maintained in the Northern California Pipe Trades (“NCPT”) Health and Welfare Plan (“Health Plan”) and/or individuals not timely enrolling in Medicare Parts A and B. (There are other situations which have resulted in amounts being owed to the Plan.) The Trust Fund Office has determined that considerable funds are owed to the Health Plan as a result of these problematic situations.

To address this problem, the Board of Trustees amended the NCPT Health Plan to provide that individuals who owe money to the Plan must enter into a written repayment agreement whereby the amounts owed are repaid over a specified period of time, with reasonable interest charged to the Participant. The amount of the monthly repayment will depend in part upon the total amount owed to the Plan. At a minimum, an individual will be expected to repay at least \$250.00 a month to the Plan; however, for situations in which significant amounts are owed to the Plan and/or the Participant is receiving a pension benefit, the Plan may require a greater monthly repayment amount.

IMPORTANT: If a Participant (or Beneficiary) fails to make the payments and/or enter into a repayment plan, the Participant and his or her Dependent(s) will not be eligible for coverage under the NCPT Health Plan. The Trust Fund Office will suspend the Participant’s enrollment (and that of his or her Dependents) until the Participant has agreed to a repayment program with the Plan. The Participant will be considered to be in an “unenrolled status” until the repayment program is established. Once a repayment program is established, if the Participant fails to make timely payments, the Trust Fund Office will suspend the Participant’s enrollment (and that of his or her dependents) until all arrearages and late payment penalties are paid to the Plan. In addition, the Plan may require that the Participant also pre-pay three months of payments in advance.

Based on this Plan Amendment, any individual who owes money to the NCPT Health Plan as provided above may be required to sign a written agreement before a notary agreeing to have any amounts owed deducted, offset, or paid from any Jury Duty benefit, Dental benefit, Orthodontic benefit, Hearing Aid benefit, Death benefit, and/or other benefits that may be payable from the Plan (including any amounts that are payable from a life insurance company with which the Plan has a contract), and payment from any distribution or monthly payments from the NCPT Pension Plan and/or the NCPT Supplemental Pension Plan.

Any ineligible Dependent enrolled or maintained in the Plan may not be allowed to enroll as a Dependent if they later meet the Plan's Dependent requirements until such time as all overpaid amounts have been repaid in full to the Plan. In addition, there will be a 6 month waiting period from the later of (a) the month that overpaid amounts have been repaid in full to the Plan; or (b) the date the Dependent meets the Plan's Dependent requirements before such Dependent would be allowed to enroll in the Plan.

The NCPT Pension Plan and NCPT Supplemental Pension Plan were amended to provide that amounts payable to a Participant who owes money to either or both such Plans and/or the NCPT Health Plan will have their Pension Benefits due from either or both such Plans postponed until the Participant enters into a repayment program. That means there will be a delay in the payment of the Participant's monthly Pension Benefits or other distribution. In situations in which a Participant is or will be receiving a monthly pension from the NCPT Pension Plan, the Participant may be requested to have as much as 25% of his or her Pension deducted from each monthly pension payment in order to repay the applicable Plan. Should there be an additional payment from the Pension Plan, this extra payment may also be applied to the overpayment. Similarly, if a Participant is entitled to a distribution from the NCPT Supplemental Pension Plan, the Trust Fund Office may request that the Participant authorize that a partial or total lump sum distribution be made in order to pay the amounts owed to the applicable Plan. Thus, the Trust Fund Office may postpone processing a pension application of a Participant, Beneficiary or Alternate Payee, and/or paying monthly benefits or a partial or total lump sum payment to any such individual who owes money to the applicable or any related Plan.

B. RETIREES RETURNING TO WORK UNDER THE RETURN TO WORK PROGRAM PARTICIPATE IN THE ACTIVE PLAN.

Retirees of the NCPT Pension Plan, who return to work under the Plan's Return to Work Program will, once eligible, participate in the Active Health and Welfare Plan, rather than the Retiree Health Plan. This is required based on the federal Medicare coordination rules. Thus, any such Participant will have coverage provided through Blue Shield or Kaiser (active coverage), with Medicare benefits secondary (as required by Medicare rules). Any such individual who had been or is enrolled in Kaiser Permanente Senior Advantage (KPSA) will be required to disenroll from the KPSA Plan and will be enrolled in the Active Plan as provided herein. Once a Retiree qualifies for Active eligibility, his Retiree Health and Welfare Premium deductions will be suspended.

During months you are not eligible for active coverage, you will be entitled to continue coverage through COBRA, and may be eligible for active, subsidized Self Payment. Notification will be sent to you should this occur.

A Participant who terminates his or her status as a return to work Retiree is required to provide timely (within fifteen days) written notice to the Trust Fund Office of such change in status.

C. NCPT PENSION PRE-RETIREMENT OR POST-RETIREMENT DEATH BENEFITS.

If a Beneficiary(ies) fails to respond to the Trust Fund Office requests within 180 days of the Participant's death, the Pre-Retirement or Post-Retirement Death Benefit will be issued payable to the Participant's Estate.