

NORTHERN CALIFORNIA PIPE TRADES TRUST FUNDS FOR UA LOCAL 342

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SEPTEMBER 2016

TO: ACTIVE PARTICIPANTS

**RE: SUMMARY OF MATERIAL MODIFICATIONS TO THE
NORTHERN CALIFORNIA PIPE TRADES PENSION PLAN (“PLAN”)**

The Board of Trustees of the Northern California Pipe Trades Pension Plan (“Plan”) is providing you with the following summary of changes in the Plan called a Summary of Material Modification (“SMM”). Please review these important changes described below.

**A. RETIREMENT BENEFITS - Plan Amendment
NORMAL RETIREMENT BENEFIT
ACTIVE Participants
Article III Section 2.c – Effective July 1, 2016**

Since January 1, 1990, a full year of Benefit Credit is based upon 1200 hours reported in Covered Employment at the Master Labor Agreement Contribution Rate in a Plan Year.

Effective with hours earned (worked) on or after July 1, 2016, in order to maintain the future financial viability of the Plan, the Board of Trustees of the Northern California Pipe Trades Pension Plan has amended the Plan to decrease the monthly benefit accrual rate for a full year of Benefit Credit to the following:

Vesting Credits or Years of Participation and Benefit Credits Required	Month in Which Hours are Worked	Monthly Benefit
Years 1 – 25	Starting July 2016	\$150.00
Years 25.01+	Starting July 2016	\$200.00

If you work more or less than 1200 hours in a Plan Year, your Benefit Credit will be increased or reduced proportionately (prorated). However, no Benefit Credit is given for less than 300 hours reported in Covered Employment in a Plan Year.

If the Employer Contribution Rate for your hours in Covered Employment is greater than or less than the Master Labor Agreement Contribution Rate, your Benefit Credit will be increased or reduced proportionately (prorated) based on the Master Labor Agreement Contribution Rate.

**B. RETIREMENT BENEFITS - Plan Amendment
OPTIONAL PRE-RETIREMENT DEATH BENEFITS
ACTIVE Participants
Article IV Section 3 – Clarification**

The Board of Trustees of the Northern California Pipe Trades Pension Plan has amended the Plan to clarify that only the Beneficiary of a Qualified Active Vested Participant would be eligible for the Plan’s Optional Pre-Retirement Death Benefit.

For purposes of this Section, a Qualified Active Vested Participant is a Participant who meets all of the following conditions at the time of death: (a) the Participant must have been credited with not less than 300 hours of Covered Employment during any one of the three (3) Plan Years ending with the Plan Year of the

Participant's death; (b) the Participant had not retired under the Northern California Pipe Trades Pension Plan; and, (c) the Participant meets the vesting requirements of Article II, Section 2, of the Pension Plan.

OPTIONAL PRE-RETIREMENT LUMP SUM DEATH BENEFIT – In the event of the death on or after January 1, 2014, of a Qualified Active Vested Participant, the eligible Beneficiary of the Participant shall be paid a benefit of up to \$10,000 per year for any year that the Qualified Active Vested Participant earned at least one Benefit Credit, but not to exceed an overall maximum of \$300,000.

If a Qualified Active Vested Participant is married on the date of his/her death, and his/her spouse is the Beneficiary of any Death Benefits, if the Surviving Spouse is eligible for the Qualified Pre-Retirement Death Benefit under Article V, the Surviving Spouse may elect the Optional Pre-Retirement Lump Sum Death Benefit in lieu of the Qualified Pre-Retirement Death Benefit.

Partial Benefits will be allowed on a proportional basis for less than one Benefit Credit earned 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.

For purposes of this Section, an Active Vested Participant is Qualified if, at the time of the Participant's death, he/she was credited with not less than 300 hours of Covered Employment during any one of the three (3) Plan Years ending with the Plan Year of the Participant's death. The requirement of 300 hours of Covered Employment shall, however, be waived if the Active Vested Participant suffered from a permanent and total disability as defined in Article II, Section 4, and remained permanently and totally disabled until his/her death.

Eligible Beneficiaries, for purposes of this death benefit, shall mean any Beneficiary or Beneficiaries (other than a former spouse, unless officially redesignated as a Beneficiary following the date of divorce) designated as such by the Participant in writing and received by the Trust Fund Office at the time of death, or if none so designated, the following in the order mentioned:

- a. The Participant's spouse at date of death;
- b. The Participant's children, if any, either natural or adopted;
- c. The Participant's father and/or mother, if either living;
- d. The Participant's sisters and/or brothers, if any living, the member or members of each such class to take to the exclusion of the member or members of succeeding class or classes.

IN ACCORDANCE WITH THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), THIS SMM SUPPLEMENTS THE SUMMARY PLAN DESCRIPTION THAT HAS BEEN SEPARATELY PROVIDED TO YOU. YOU SHOULD RETAIN THIS DOCUMENT WITH YOUR SUMMARY PLAN DESCRIPTION.

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