

NORTHERN CALIFORNIA PIPE TRADES TRUST FUNDS FOR UA LOCAL 342

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AUGUST 2016

TO: Non-Disabled Retirees under the Northern California Pipe Trades Pension Plan
FROM: The Board of Trustees
RE: Temporary Special Needs Provision For Limited Duration through December 31, 2017,
Non-Disabled Retirees Return to Work with Credentials/Certifications in Industrial Refinery Experience Only

IMPORTANT: This Notice does not apply to Disabled Retirees, Retirees who do not possess valid credentials/certifications or any Retiree who has not been retired for at least 30 days prior to such dispatch. Possession of current RSO and TWIC cards are required.

The Board of Trustees of the Northern California Pipe Trades Pension Plan ("Plan"), at the request of UA Local 342, has determined that there is a serious shortage of skilled employees as noted above for Covered Employment who possess valid credentials/certifications in Industrial Refinery Experience required by certain Contributing Employers. Due to this special need and unique circumstance, the Board of Trustees will only permit Non-Disabled Retirees with Industrial Refinery Experience who retired at least 30 days prior to dispatch and who possess valid credentials/certifications in skills required by Contributing Employers to be dispatched to jobs within the jurisdiction of UA Local 342 without incurring a suspension of their Retirement Benefits for a limited duration.

However, please be advised the Plan's Benefit Suspension Rules would continue to apply to any Retirees other than those returning to work under this Temporary Special Needs Provision. For example, if a Retiree who does not possess credentials/certifications in Industrial Refinery Experience skills required by a Contributing Employer returns to work in the Pipe Trades Industry, the Retiree's benefits would likely be suspended (with certain limited exceptions) and the Retiree may be required to reimburse the Plan for any Retirement Benefits improperly received (**Please refer to the Plan's Summary Plan Description for more details about the Plan's Benefit Suspension Rules**).

Based on the current employment situation, the Board of Trustees has determined that the shortage of Industrial Refinery Experience skilled employees for Covered Employment who possess valid credentials/certifications in Industrial Refinery Experience skills required by Contributing Employers should only exist through December 31, 2017. Should an approved Retiree working under this Temporary Special Needs Provision continue to work after such date, his/her Retirement Benefit will be suspended as outlined in the Suspension of Benefits Notice and, if applicable, he/she may permanently lose any Retiree Health and Welfare Benefits.

Employment Procedure: For Retirees allowed to temporarily return to work in certain limited situations when there is a shortage of skilled employees, Employment Procedure provisions, pursuant to Article II, Section 14 of the Master Labor Agreement, dated July 1, 2015 – June 30, 2018, are as follows:

- Eligible Retirees will be allowed to register on a temporary "A-1" List.
- Registration for dispatch will be by classification and/or specialty, just as it is for the "A" List.
- Dispatch will be determined by date of registration within the appropriate classification or specialty, just as it is for "A" List registrants.
- The "Layoff Order" and "Bumping" provisions of Article II, Sections Paragraphs 22 and 22-A will be temporarily modified for the duration of the program. Section 22 is modified to require that no "A" List employee shall be laid off until all "A-1" List employees have been laid off or terminated. Section 22-A is modified to allow any "A" List registrant to bump an "A-1" List employee, regardless of when the "A-1" List employee was dispatched, and regardless of the period of time that an "A" List employee desiring to "bump" has been on the "A" Out-of-Work List. Notice of a desire to bump will be made, in writing, to the dispatch office, to the Individual Employer and to "A-1" List employee sought to be "bumped". A qualified "bump" will be honored within 48 hours of completion of the notice requirements. In all other respects Sections 22-B, C (except the 60 calendar day provision insulation period), D, and E shall apply to the bumping of "A-1" List employees.

For questions regarding employment, please contact UA Local 342 at 925/686-5880.

Note: Interested qualified Retirees should contact UA Local 342. The Trust Fund Office will be contacted by UA L342 following this review to ensure Plan Participants are not disabled and/or if there are any other Plan rules requiring review.

Once you are dispatched, you should immediately notify the Trust Fund Office at 925/356-8921 or toll free 800/780-8984 ext. 512.

Impact on Pension Benefits: Retirees who qualify under this Temporary Special Needs Provision will not incur a suspension of their Retirement Benefits. **Please note that any Benefit Credits and/or Vesting Credits earned while working under this Temporary Special Needs Provision will not impact/change the type of Retirement you qualified for and elected at the time of your Retirement.**

Impact on Other Pension Plan Benefits: A Retiree who is also receiving a Retirement Benefit from another plan(s) should check the rules of the other plan(s) to ensure that returning to temporary special needs work within the jurisdiction of UA Local 342 will not jeopardize Retirement Benefits under the other plan(s).

Impact on Health and Welfare Benefits: Any Approved Retiree who returns to work under this Temporary Special Needs Provision should keep in close contact with the Trust Fund Office regarding hours reported to ensure his/her Health and Welfare Benefits are under the appropriate Health and Welfare Plan. If a Retiree works enough hours to establish eligibility under the Active Health and Welfare Plan, once the Retiree ceases working and exhausts his/her Active Hour Bank, if he/she was eligible for Retiree Health and Welfare Benefits, his/her Retiree Benefits will resume and monthly premium deductions, if applicable, would apply. If a Retiree establishes eligibility under the Active Health and Welfare Plan and was not eligible for Retiree Health and Welfare Benefits, after exhausting his/her Active Hour Bank, he/she may be entitled to COBRA Continuation Coverage. Please note that if a Retiree was not eligible for Retiree Health and Welfare Benefits at the time he/she retired, returning to work under this Temporary

Special Needs Provision will not impact your benefits. (Please also refer to the NCPT Health and Welfare Plan’s Summary Plan Description/Plan Document for more details about eligibility).

Please be aware that you can access information such as your eligibility, work history, contributions and other important information using your individual user name and password through the NCPTTF ISSI System (“ISITE”) link that is available on our website at www.ncpttf.com. If you need your ISITE login information, please contact the Trust Fund Office at 925/356-8921, ext. 510.

Retirees with Retiree Health and Welfare Benefits	Retirees without Retiree Health and Welfare Benefits
<ul style="list-style-type: none"> • You will be allowed to maintain coverage under the Retiree Health and Welfare Plan until such time as you gain <u>Active</u> Health Plan coverage. • Initial Eligibility requirements for <u>Active</u> Health Plan coverage are waived. After your first dispatch and your Employer reports 125 hours, you may be eligible for Active coverage. You are required to complete a new <u>Active</u> Enrollment/Change Form under your current Health Plan option (Blue Shield or Kaiser). • If you or any enrolled Dependent has Medicare, once you gain <u>Active</u> Health Plan coverage, Medicare will be secondary payer. • As a result, Medicare eligible individual(s) enrolled in the <u>Kaiser Permanente Health Plan</u> will need to <u>immediately complete and timely submit a Kaiser Permanente Senior Advantage Plan (“KPSA”) Disenrollment Form.</u> <i>Disenrollment Forms are not required for Blue Shield.</i> • You will be eligible for all <u>Active</u> benefits in accordance with the Health and Welfare Plan rules. • <i>As a reminder, eligibility is skip-month, so hours worked in September will provide November eligibility; so your Retiree premium deduction would not be due for November.</i> • You can accumulate excess hours up to a maximum of 6 months (750 hours) in a Reserve Hour Bank. • If you do not have <u>Active</u> Health and Welfare eligibility through hours worked you may qualify to make Active Subsidized Self-Payments subject to Plan maximums. • You must notify the Trust Fund Office that you have ceased working. When you have exhausted <u>Active</u> Health and Welfare eligibility, you must re-enroll in the <u>Retiree</u> Health Plan and will be responsible for payment of Retiree premiums, if applicable. You will be required to complete a new <u>Retiree</u> Enrollment/Change Form. • In addition, if you or any enrolled Dependent has Medicare, once you re-enroll in the <u>Retiree</u> Health Plan, Medicare will be primary. Medicare eligible individual(s) will need to immediately complete a Blue Shield Medicare Rx Plan Enrollment Form or Kaiser Permanente Senior Advantage Plan (“KPSA”) Enrollment Form. 	<ul style="list-style-type: none"> • Initial Eligibility requirements for <u>Active</u> Health Plan coverage are waived. After your first dispatch and your Employer reports 125 hours, you may be eligible for Active coverage. You are required to complete a new <u>Active</u> Enrollment/Change Form. • You will be eligible for all <u>Active</u> benefits in accordance with the Health and Welfare Plan rules. • <i>As a reminder, eligibility is skip-month, so hours worked in September will provide November eligibility.</i> • You can accumulate excess hours up to a maximum of 6 months (750 hours) in a Reserve Hour Bank. • If you do not have <u>Active</u> Health and Welfare eligibility through hours worked you may qualify to make Active Subsidized Self-Payments subject to Plan maximums. • You must notify the Trust Fund Office that you have ceased working. When you have exhausted <u>Active</u> Health and Welfare eligibility, you may be eligible for COBRA Continuation Coverage.

Impact on Social Security/Medicare Benefits: An Approved Retiree who is also receiving any type of Social Security Benefits, including Medicare, should contact the Social Security Administration concerning how returning to Temporary Special Needs work and suspension of Retiree Health and Welfare Benefits, if applicable, may impact Social Security/Medicare Benefits. ***Please note that due to various Medicare enrollment provisions and requirements, the Plan does not recommend that a Retiree and/or Retiree’s Dependent(s) with Medicare coverage disenroll from Medicare if a Retiree gains Active Health and Welfare eligibility. If a Retiree and/or Retiree’s Dependent(s) make a change in Medicare enrollment there is a possibility that he/she may not be allowed to immediately re-enroll in Medicare when Active Health and Welfare eligibility ends resulting in a gap in coverage. In addition, upon re-enrollment in Medicare, a Retiree and/or Retiree’s Dependent may be assessed penalties by Medicare that could result in a higher Medicare premium. By maintaining Medicare Coverage the Plan will coordinate its benefits with Medicare meaning the Plan will become the primary payer once you resume work and Medicare will be the secondary payer. In addition, by maintaining Medicare enrollment during periods of Active Health Plan eligibility, although Medicare is the secondary payer, your co-payment should be minimal.*** (Please also refer to the Plan’s Summary Plan Description/Plan Document for more details).

IF YOU ARE OVER AGE 70, RECALCULATION OF YOUR BENEFITS MAY BE REQUIRED ANNUALLY.

When you Cease Working Under this Temporary Special Needs Provision: At the time a Retiree ceases working under this Temporary Special Needs Provision, the Retiree needs to immediately notify the Trust Fund Office in writing that he/she will terminate or has terminated employment along with his/her termination date. After all employer contributions are received and processed at the Trust Fund Office, if applicable, the Retiree’s Retirement Benefits will be recalculated and increased accordingly. In accordance with Plan rules, be aware that if a Retiree’s monthly Retirement Benefit is under \$1,000, and is eligible for Retiree Health and Welfare Benefits, he/she does not currently pay a monthly Retiree Health and Welfare Premium. However, if a Retiree’s monthly Retirement Benefit increases to \$1,000 or more when recalculated, he/she will be required to pay a monthly Retiree Health and Welfare Premium. ***Please note that if a Retiree was not eligible for Retiree Health and Welfare Benefits at the time he/she retired, returning to work under this Temporary Special Needs Provision will not impact your benefits.***

If you have any questions regarding this notice, please contact UA Local 342 at 925/686-5880 regarding Employment or the Trust Fund Office at 925/356-8921 or toll free 800/780-8984 ext. 512 for benefit questions.