

## **Northern California Pipe Trades Supplemental Pension Plan**

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**TO:** Participants and Beneficiaries of Northern California Pipe Trades Supplemental Pension Plan

**FROM:** The Board of Trustees, acting as Plan Administrator

**SUBJECT:** Receiving Your Plan Benefits

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Enclosed is an application for payment of your benefits under the Plan. This includes the following items

- ◆ IRA Rollover Options Notice (1 page)
- ◆ Accuracy of Statements (1 page)
- ◆ Marital Status Affidavit (1 page) must be completed and notarized
- ◆ Distribution Request Form (4 pages)

This must be completed and returned to the address listed below. The instructions on the form must be followed exactly. If there are missing items, we will have to return the form for further processing.
- ◆ List of acceptable documents concerning submission of proofs of age (1 page)
- ◆ Special Tax Notice Regarding Plan Payments (12 pages)

This is a brief explanation of the rules and regulations that determine the tax consequences of retirement plan distributions. You may wish to consult a tax advisor before returning your completed application.
- ◆ Notice of Spousal Rights (2 pages)

This is a brief explanation of the rights of spouse beneficiaries of Plan Participants under federal laws that relate to the form of payment options the Participant may choose.

Please read the material carefully. Complete and return the appropriate Sections of the Distribution Request Form to the Plan's Distribution Administrator:

Northern California Pipe Trades Supplemental Pension Plan Distribution Administrator  
Kaufmann and Goble Associates  
160 West Santa Clara St. #1550  
San Jose, CA 95113  
800/767-1170

The Distribution Administrator controls the flow of paperwork and should be able to answer any questions related to the distribution process. However, final approval of your payment may require review by other Plan service providers and, possibly, the Union Office. Depending on your particular situation, the entire process should be completed within 30 days from the time your application is received.

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## Northern California Pipe Trades Supplemental Pension Plan

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To: Participants of the Northern California Pipe Trades Supplemental Pension Plan

From: The Board of Trustees

**Subject: IRA Rollover Ads from Stockbrokers, Banks and Credit Unions**

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You may have received mailings recommending that you roll over your 401(a) Plan account to an IRA managed by a large stockbroker, bank, or credit union. Many of these IRAs cost more and provide more limited options than the 401(a) Plan. We suggest you be careful and thoroughly consider your options before moving your money to an IRA.

In fact, investment costs in our plan are typically one-to-two percent less expensive than at many brokerage houses and other financial institutions. Also, unlike some IRAs, our Plan offers you the opportunity to receive distributions before age 59 ½ without excise tax penalties and the ability to request monthly, quarterly, annual distribution payments, or partial lump sum payments for one-time specific needs (for example, to purchase a car).

Over the past few years we have added provisions to the Plan that make it more attractive for our retiring members to simply keep their accounts invested in the Plan and still maintain the flexibility they may desire in retirement. These provisions include:

- The continued ability to access your account 24/7 via the Plan website and toll free phone number.
- Access to professional investment guidance provided by Mammini Company.
- The benefit from low investment costs and access to quality mutual funds and asset allocation models.

While we understand that some members are transferring their accounts to get more personalized service, we have also become aware that some have transferred to more expensive and restrictive products. Therefore, we encourage you to consider all your options and make sure that you make an educated decision which will best suit your personal financial goals and objectives.

**If you have any questions about our plan, please do not hesitate to call Kaufmann and Goble at 800/767-1170 or call our plan advisor, Mammini Company, at 888/547-6972 and speak to an investment representative.**

Thank you for your time and consideration.

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**Northern California Pipe Trades  
Supplemental Pension Plan**

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**ACCURACY OF STATEMENTS**

I have read the instructions to this Supplemental Pension Plan application and have complied with the Plan's requests and requirements. I acknowledge and understand that I am bound by the Plan rules and regulations.

I understand that the falsity of any statement in this application or the furnishing of fraudulent information or proof shall be sufficient reason for the postponement, denial or suspension of plan benefits and that the Board of Trustees, or its delegate, has the right to recover any benefit payments and costs and attorney's fees incurred as a result of such false statements or submission of fraudulent information.

I certify under penalty of perjury under the laws of the State of California that the foregoing information provided on the application form and any attachment is true and correct.

Applicant's signature: \_\_\_\_\_ Dated: \_\_\_\_\_

Print Name: \_\_\_\_\_ Last 4 digits of SS# \_\_\_\_\_

**THIS PAGE MUST BE SUBMITTED WITH YOUR APPLICATION FORM**

# Northern California Pipe Trades Supplemental Pension Plan

# Distribution Request Form

## SECTION A: DISTRIBUTION CONTEXT - Type or print clearly in ink

Last Name	First	Initial	Social Security Number	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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**I am or have been an Active Participant but I'm now eligible for a distribution.**

Please check one of the following conditions that apply to you. You must complete and return Sections A, B and C (pages 1 - 4), the Accuracy of Statements, and the Marital Status Affidavit.

- Eligible to Retire under Pension Plan (Entitled to Service Pension & Terminated Employment in the Pipe Trades Industry)
- Normal Retirement Age (Attainment of age 65 - Attach Proof of Age)
- Early Retirement (Attained age 55 and has terminated Covered Employment in the Pipe Trades Industry - Attach Proof of Age). Initial on the line following this statement: **I certify that I have terminated employment in the Pipe Trades Industry.** \_\_\_\_\_
- Attain age 59 1/2 (May continue working in Covered Employment- Attach Proof of Age)
- Limited Distribution at age 55/Separation of Employment (Attained age 55 but prior to attaining age 60; no contributions reported on your behalf for at least three consecutive months and you have not worked in the Pipe Trades Industry during that three month period; Distribution not to exceed \$20,000 - Attach Proof of Age)
- Termination of Employment (Terminated your Covered Employment and 12 months have elapsed since your last hour of any Employment in the Pipe Trades Industry and you have no intention of returning to the Pipe Trades Industry - sign the following Terminated Employment clause). I, \_\_\_\_\_, certify that I am not currently working in the Pipe Trades Industry, and I have not worked in the Pipe Trades Industry for at least 12 consecutive months and I do not intend to return to employment in the Pipe Trades Industry, and I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.  
  

_____	_____	_____
Printed Name	Signature	Date
- Termination of Employment through Government Work/Employment in Public Works (A Member of UA Local 342 who is employed by a public employer as approved by UA Local 342 [i.e. Alameda County or other **approved** government employment] in a non-dispatchable position for a minimum of three consecutive months and has had no other hours/contributions reported to the Supplemental Pension Plan for a period of at least three consecutive months)
- Permanent and Total Disability (Attach Proof / Social Security Disability Award Letter)
- Partial Disability-Limited Distribution up to \$4,000 Monthly (Requires proof of State Disability Insurance (SDI), Worker's Compensation or AHH determination). Proof of continued disability (must remain disabled for two or more weeks in any month) must be submitted each month to continue receiving a monthly payment. The Plan will allow up to a six month look back period from the date a Participant's completed application is filed in order to determine if a Participant is eligible for a retroactive payment.
- Involuntary Unemployment - **No hours/contributions reported on your behalf for at least two (2) consecutive months immediately preceding receipt of your application.** **ALERT:** A Participant who returns to Covered Employment before a distribution has been made from the Plan, will **not** be entitled to a distribution. If you are requesting a distribution, you should postpone being dispatched until after the distribution has been made to you.  
**Sign the following Involuntary Unemployment clause:**  
I, \_\_\_\_\_, certify that I am not currently working in the Pipe Trades Industry, and I have not worked in the Pipe Trades Industry or for any UA Local (Reciprocity/Travel Card) for at least two (2) consecutive months. I have not been out of work due to disability during this two (2) month period. I am on the Out of Work List at UA Local 342.  
  

_____	_____	_____
Printed Name	Signature	Date

**Note:** If you have applied for a previous withdrawal under Involuntary Unemployment, two (2) months must have elapsed since your last application was received before applying for another Involuntary Unemployment Distribution.
- Transfer of Union Membership (A lapse of three consecutive months since your last hour of Covered Employment in the jurisdiction of UA Local 342 and no hours/contributions reported on your behalf during this three month period)
- Traveler (Terminated Employment in the jurisdiction of UA Local 342; travel card on deposit with UA Local 342 has been returned to your home local union or transferred to another UA Local Union; other additional special rules apply)

Note: Certain Distributions are subject to additional tax penalties. 1

SECTION B: PARTICIPANT IDENTIFICATION - <i>Type or print clearly in ink</i>							
Last Name	First	Initial	Social Security Number				
			<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 25%; border: 1px solid black; height: 20px;"></td> <td style="width: 25%; border: 1px solid black; height: 20px;"></td> <td style="width: 25%; border: 1px solid black; height: 20px;"></td> <td style="width: 25%; border: 1px solid black; height: 20px;"></td> </tr> </table>				
Street		Date of Birth					
City/State		Zip Code					
Plan Entry Date	Last Covered Employment Employer	Date Last Worked (MM/DD/YYYY)	Retirement Date (MM/YYYY)				
Current Employer Name, address, and phone number							
E-mail Address	Home Phone Number (       )	Work Phone Number (       )	Cellular Phone Number (       )				
<input type="checkbox"/> Check here if you and/or a current or former spouse or other dependent owe money to the Northern California Pipe Trades Health and Welfare Plan or the Northern California Pipe Trades Pension Plan.							
Marital Status  <input type="checkbox"/> Never Married <input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Divorced* <input type="checkbox"/> Divorced and Remarried*  <input type="checkbox"/> Divorce in Progress <input type="checkbox"/> Divorced and Widowed <input type="checkbox"/> Widowed							
*If you have been divorced, please indicate the name of the ex-spouse and the date(s) of your divorce(s) (MM/DD/YYYY).		*If you have been divorced, during your employment in the Pipe Trades Industry, please attach your Final Judgment(s) of Marital Dissolution, any Marital Settlement Agreement(s), Qualified Domestic Relations Order(s) (QDRO), Stipulation of Judgment(s), any written agreement of your Marital Dissolution or any other document which addresses your Pension Benefits.					

**SECTION C: RETIRING, SEPARATED PARTICIPANT, DISABLED, ATTAINED AGE 59½ (or older), TRANSFER OF UNION MEMBERSHIP, OR TRAVELER - Type or print clearly in ink**

Last Name	First	Initial	Social Security Number	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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**Part 1: Select one of the Payment Options below**

I am aware that the Summary Plan Description (and any applicable Plan Amendments) describes the Plan's Benefit Options and that I may request additional information on these options. **IRS RULES REQUIRE THAT THERE IS A MANDATORY 20% WITHHOLDING FOR FEDERAL TAXES ON ANY PARTIAL OR LUMP SUM PAYMENT. Please keep this in mind when selecting the amount of any partial lump sum payment request. Refer to the accompanying IRS Tax Notice Regarding Distributions and Rollovers.**

- A Lump-sum Payment to Yourself (distribution of full account balance)
- A Partial Lump-sum Payment to Yourself in the amount of \$ \_\_\_\_\_ (up to \$20,000; age 55 to 59½, Limited Distribution at age 55/Separation of Employment).
- A Partial Lump-sum Payment to Yourself in the amount of \$ \_\_\_\_\_ (up to 50% of the account balance; Involuntary Unemployment)
- A Partial Lump-sum Payment to Yourself in the amount of \$ \_\_\_\_\_ (No limit on the amount of money that can be distributed for Terminated Employment, Eligible to Retire under the Pension Plan [any form of Retirement Benefit] Permanent Disability, Attain age 59 ½.
- A Partial Lump-sum Payment in the amount of \$ \_\_\_\_\_ (\$4,000 maximum per month, Partial Disability) retroactive for disability during the months of \_\_\_\_\_ (if applicable, list retroactive dates/months) with continuing payments of \$4,000 maximum per month for each month of continued proof of disability until submission of proof of disability is stopped or account balance is exhausted.
- A Partial Lump Sum Payment in the amount of \$ \_\_\_\_\_ (plus mandatory IRS withholding to pay the Overpayment owed to the Health and Welfare Plan, Health & Welfare Concentration Account 16-90067-7)
- A Direct Rollover to a Qualified Retirement Plan or an IRA  

Rollover Institution _____	Account Number (if assigned) _____
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Address of Rollover Institution \_\_\_\_\_

- A Qualified Joint and Survivor Annuity (see Part 4, "Provide Spousal Consent to the Payment Option" if necessary)
- An Installment Option of \$ \_\_\_\_\_ paid to yourself. Each payment must be at least \$100.  
 Select:  Monthly,  Quarterly,  Semi-Annually, or  Annually. If annual, please indicate what month \_\_\_\_\_.

**Part 2: Select a Payment Delivery Option**

- Electronic Transfer  
 Bank/Deposit Institution \_\_\_\_\_

EFT Routing Number of the Institution \_\_\_\_\_

Your Account Number at the Institution \_\_\_\_\_

Mailing Address of the Institution \_\_\_\_\_

**Note:** If you have selected Electronic Transfer above, the mailing address is necessary in the event that it is not possible to execute your request for some reason. For example, some Rollover Institutions will not accept electronic transfers to IRA accounts. In this event, your distribution will be delivered in the form of a check mailed to the address specified above.

- Check mailed to the address listed on this application (Direct Rollover does not apply)
- Check mailed to your Direct Rollover Institution at the address specified in Part 1 (Direct Rollovers only)

**SECTION C: (CONTINUED) RETIRING, SEPARATED PARTICIPANT, DISABLED, ATTAINED AGE 59½ (or older), TRANSFER OF UNION MEMBERSHIP, OR TRAVELER - Type or print clearly in ink**

Last Name	First	Initial	Social Security Number	<table border="1" style="display:inline-table; border-collapse: collapse;"> <tr><td style="width:20px; height:20px;"></td><td style="width:20px; height:20px;"></td><td style="width:20px; height:20px;"></td></tr> </table> <table border="1" style="display:inline-table; border-collapse: collapse;"> <tr><td style="width:20px; height:20px;"></td><td style="width:20px; height:20px;"></td></tr> </table> <table border="1" style="display:inline-table; border-collapse: collapse;"> <tr><td style="width:20px; height:20px;"></td><td style="width:20px; height:20px;"></td><td style="width:20px; height:20px;"></td><td style="width:20px; height:20px;"></td></tr> </table>									

**Part 3: Select Tax Withholding Elections (for Payment Options other than a Direct Rollover)**

*Any withholding required by federal or state law will be paid regardless of elections made below (see the accompanying Tax Notice document for more information)*

Federal Taxes: Withhold \_\_\_\_\_ % of my payment amount; OR Withhold a fixed amount \$ \_\_\_\_\_

State Taxes: Withhold \_\_\_\_\_ % of my payment amount; OR Withhold a fixed amount \$ \_\_\_\_\_

**Part 4: Provide Spousal Consent to the Payment Option as elected in Section C, Part 1, if necessary**

**My Current Marital Status:**       Married       Not Married       Separated

If you are married, the spousal consent below **must** be completed and **notarized** unless either 1) the Qualified Joint and Survivor Annuity was chosen in Part 1 above or 2) your total account balance is **less than \$5,000** (see accompanying *Notice of Spousal Rights*).

I, \_\_\_\_\_, the spouse of the Plan participant for whom this application is being filed, hereby consent to the waiver of both the Qualified Joint and Survivor Annuity (QJSA) and the Qualified Pre-Retirement Survivor Annuity (QPSA), and to the timing and form of distribution elected on this form. I certify that I have received a written explanation of the QJSA and QPSA, and that I understand my rights under the QJSA and QPSA. I also certify that I understand 1) my right to refuse to consent to this waiver election, 2) the waiver election period, and 3) the financial effect of the election not to receive benefits in the QJSA and/or QPSA form. I understand the consequences of waiving my right to a Qualified Joint and Survivor Annuity Benefit and a Qualified Pre-Retirement Survivor Annuity, and I voluntarily agree to a different form of distribution.

Printed Name of Spouse	Signature of Spouse	Date
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**NOTARY ACKNOWLEDGMENT**

**A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.**

State of \_\_\_\_\_ County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public  
*Date Here insert Name of the Officer*  
personally appeared \_\_\_\_\_

*Name(s) of Signer(s):*

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of \_\_\_\_\_ that the foregoing paragraph is true and correct.  
WITNESS my hand and official seal.

Place Notary Seal Above

\_\_\_\_\_  
*Signature of Notary Public*

**Part 5: Execution of the Distribution Request and Waiver of the minimum notice period**

I hereby certify that the information contained in this Distribution Request Form is, to the best of my knowledge, accurate. I also certify that I have received and have read the Tax Notice Regarding Plan Payments and the Notice of Spousal Rights. I consent to an immediate distribution of my Account Balance in the manner specified herein. I understand that I have the right to review these materials for at least thirty days before making that decision and affirmatively waive any un-expired portion of that 30-day review period.

Printed Name of Participant	Signature of Participant	Date
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# Northern California Pipe Trades Supplemental Pension Plan

## MARITAL STATUS AFFIDAVIT (Statement Under Penalty of Perjury)

Please check the Statement(s) that apply to you and sign before a Notary Public.

- I have never been married and am currently single.
- I am currently married to \_\_\_\_\_, and have never been divorced.  
*Print Spouse's Name*
- I have never been divorced and am currently widowed.
- I am currently separated from my spouse \_\_\_\_\_.  
*Print Spouse's Name*
- I am divorced and currently widowed.
- I am divorced and remarried to \_\_\_\_\_.  
*Print Spouse's Name*
- I have attached a court filed Qualified Domestic Relations Order(s) (QDRO), or I previously submitted a court filed QDRO(s) to the Trust Fund Office.
- I have attached a court filed Final Judgment of Dissolution of Marriage or, I previously submitted a court filed Final Judgment of Dissolution of Marriage to the Trust Fund Office.
- There is no court order or other pleading which awards any portion of my pension benefits with the Northern California Pipe Trades Pension Plan, and/or the Northern California Pipe Trades Supplemental Pension Plan, and/or Predecessor Plan(s), to a former spouse or any other person, or which reserves jurisdiction over my pension benefits with the Northern California Pipe Trades Pension Plan, and/or the Northern California Pipe Trades Supplemental Pension Plan, and/or Predecessor Plan(s), nor is there any court order, pleading, agreement, or other document which prevents the Northern California Pipe Trades Pension Plan or the Northern California Pipe Trades Supplemental Pension Plan from making a full distribution to me.

I, \_\_\_\_\_, a Participant in the Northern California Pipe Trades Pension Plan and/or the  
*Print Participant's Name*  
Northern California Pipe Trades Supplemental Pension Plan, certify under penalty of perjury under the laws of State of California that the foregoing is true and correct:

\_\_\_\_\_  
*Participant's Signature*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Social Security Number*

### NOTARY ACKNOWLEDGMENT

**A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.**

State of \_\_\_\_\_ County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public  
*Date Here insert Name of the Officer*

personally appeared \_\_\_\_\_  
*Name(s) of Signer(s):*

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of \_\_\_\_\_ that the foregoing paragraph is true and correct.  
WITNESS my hand and official seal.

Place Notary Seal Above

\_\_\_\_\_  
*Signature of Notary Public*



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# Northern California Pipe Trades Supplemental Pension Plan

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## **PROOF OF AGE**

The acceptable proofs of age are listed below in two (2) groups.

Submit a photocopy of one (1) of the proofs listed in Group I. If you cannot submit a proof in the Group I classification, submit photocopies of two (2) of the proofs listed in Group II.

Additional proofs of age may be requested if the documents you submit do not constitute proof of your age.

### **GROUP I**

- 1) Birth Certificate (best proof in most instances). A certified copy of a birth certificate is one that is issued by the state and bears an official seal. A notarized copy of a birth certificate will not be accepted.
- 2) Passport (unexpired or expired).
- 3) Notification of registration of birth in a public registry of vital statistics.
- 4) Certification of record of age by the U.S. Census Bureau.
- 5) Letter from Social Security stating your date of birth as shown in their records. Or a Social Security Statement.
- 6) Naturalization Record.
- 7) Immigration Papers.

### **GROUP II**

- 1) Baptismal Certificate or a statement as to the date of birth shown by a church record, certified by the custodian of such record.
- 2) School records, certified by the custodian of such record.
- 3) Vaccination record, certified by the custodian of such record.
- 4) Signed statement by the physician or midwife who was in attendance at birth, as to the date of birth shown on their records.
- 5) Other evidence such as signed statements from persons who have knowledge of the date of birth.

# NORTHERN CALIFORNIA PIPE TRADES TRUST FUNDS FOR UA LOCAL 342

1855 Gateway Blvd., Suite 350, Concord, CA 94520-8445 • Phone 925/356-8921 • Fax 925/356-8938 • Toll Free 800/780-8984  
tfo@ncpttf.com • www.ncpttf.com

## **SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS**

This Notice explains how you can continue to defer federal income tax on your retirement savings in the **Northern California Pipe Trades Supplemental 401(k) Retirement Plan** and the **Northern California Pipe Trades Pension Plan** (collectively referred to as the “Plan”) and contains important information you will need before you decide how to receive your Plan benefits.

You are receiving this Notice because all or part of the payment that you will soon receive from the Plan may be eligible to be rolled over to a traditional IRA, Roth IRA or another qualified plan. This Notice is intended to help you decide whether to do such a rollover.

This Notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans). Rules that apply to most payments from the Plan are described in the “General Information About Rollovers” section (Page 3). Special rules that only apply in certain circumstances are described in the “Special Rules and Options” section (Page 5).

A rollover is a payment by you or the Plan Administrator of all or part of your benefit to an eligible employer plan or traditional IRA that allows you to continue to postpone taxation of that benefit until it is paid to you. Your payment may also be rolled over to a Roth IRA. Your payment **cannot** be rolled over to a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA). An “eligible employer plan” includes a plan qualified under section 401(a) of the Internal Revenue Code, including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a section 403(a) annuity plan; a section 403(b) tax-sheltered annuity; and an eligible section 457(b) plan maintained by a governmental employer (governmental 457 plan).

An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether that plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover.

Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions. If this is the case, you may wish instead to roll your distribution over to a traditional IRA or Roth IRA or split your rollover amount between the employer plan in which you will participate and a traditional IRA or Roth IRA. If an employer plan accepts your rollover, that plan may restrict subsequent distributions of the rollover amount or may require your spouse’s consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from this Plan. Check with the Administrator of the plan that is to receive your rollover prior to making the rollover.

**This Notice, which is patterned in many parts on the updated IRS model notice 2014-74, is required by federal law. The Notice is not personal tax advice. Because the Tax rules are complex and contain many conditions and exceptions which are not discussed in this Notice, you should consult with a professional tax advisor for tax advice.**

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### **I. GENERAL RULES ON TAXATION AND EARLY DISTRIBUTIONS**

**(1) TAX ON DISTRIBUTIONS.** As a general rule, when you receive a distribution directly from a qualified pension plan, such as this Plan, you will pay federal and state taxes on the distribution. (There may be an exception for certain types of payments on account of a disability.) This notice is intended simply to provide you with general information on the tax rules and some of your options.

You should consult with a Tax Advisor for specific tax advice.

**(2) 10% PENALTY TAX ON CERTAIN DISTRIBUTIONS.** If you are under age 59½, you will have to pay an additional 10% penalty tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, **unless the distribution meets one of the exceptions in the Internal Revenue Code.** This tax is in addition to the regular income tax on the payment not rolled over. (This portion of the notice applies mostly to distributions from the Northern California Pipe Trades Supplemental 401k Retirement Plan.) **The primary exceptions of the 10% tax penalty include:**

1. **Eligible Rollover.** You roll over the distribution in the manner described below in the Summary.
2. **Early Retirement/Termination of Employment At age 55 or Older.** A distribution made to you on account of qualifying for early or service retirement under the Plan on or after age 55.
3. **Attainment of Age 59 1/2.** A distribution made during or after the year you attain age 59 1/2 even if you are working.
4. **Certain Disabilities.** A distribution due to your inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment, which can be, expected to result in death or to be of long-continued and indefinite duration. (Not all disabilities meet this standard.)
5. **Periodic Payments-Substantially Equal Payments.** Periodic payments which are made in a series of substantially equal periodic installments (at least annually or more often) made for your life or life expectancy or for the joint lives or a term equal to the joint life expectancies of you and a designated beneficiary.
6. **Medical Deduction.** A distribution to the extent such distribution does not exceed the amount allowable as a medical deduction under Internal Revenue Code Section 213.
7. **Death Benefits.** A distribution to your beneficiary or your estate on account of your death.
8. **Qualified Domestic Relations Orders.** A distribution to an Alternate Payee (spouse, child, or other dependent) pursuant to a Qualified Domestic Relations Order.
9. **Corrective distributions** of contributions that exceed tax law limitations.
10. **Certain Payments While on Active Duty.** Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001, for more than 179 days.

**Warning:** You may also be liable for state tax penalties. For example, California assesses a 2.5% penalty.

**Reminder:** The information in this Notice is not intended to be tax advice. Thus, it is suggested that you consult with a tax advisor before you file your application to receive your benefits from the Plan.

## II. GENERAL INFORMATION ABOUT ROLLOVERS

### **How can a rollover affect my taxes?**

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies such as early retirement on or after age 55). However, if you do a rollover, you may not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

### **Where may I roll over the payment?**

You may roll over the payment to either a Traditional IRA (an Individual Retirement Account or Individual Retirement Annuity) or an Eligible Employer plan (a Tax-qualified plan, Section 403(b) plan, or Governmental section 457(b) plan) that will accept the rollover. If you want to make a direct rollover to another Employer plan, ask the Plan Administrator of that plan whether it will accept your rollover. The rules of the IRA or Eligible Employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or Eligible Employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or Eligible Employer plan.

### **How do I do a rollover?**

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

- **If you do a direct rollover**, the Plan will make the payment directly to your IRA or an Employer plan, or if your payment is from a Designated Roth Account, to your Roth IRA or Designated Roth Account in an employer plan. You should contact the IRA or Roth IRA Custodian or the Administrator of the Employer plan for information on how to do a direct rollover.
- **If you do not do a direct rollover**, you may still do a rollover by making a deposit into an IRA or Eligible Employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59 ½ (unless an exception applies).

### **How much may I roll over?**

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. The Plan Administrator or the Payer can tell you what portion of a payment is eligible for rollover. Any payment from the Plan is eligible for rollover, **except (the following are not eligible for rollover)**:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary).
- Required minimum distributions after age 70½ (or after death).
- Corrective distributions of contributions that exceed tax law limitations.
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends).
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.

### **If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?**

If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed above applies. This tax is in addition to the regular income tax on the payment not rolled over. The 10% additional income tax **does not apply** to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation and you qualify for early or service retirement.
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary).
- Payments made due to disability.
- Payments after your death.
- Corrective distributions of contributions that exceed tax law limitations.
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment.
- Payments made directly to the government to satisfy a federal tax levy.
- Payments made under a Qualified Domestic Relations Order (“QDRO”).
- Payments up to the amount of your deductible medical expenses.
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001, for more than 179 days.

### **If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?**

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there **are a few differences** for payments from an IRA, including:

- There is no exception for payments after separation from service that are made after age 55.
- The exception for Qualified Domestic Relations Orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

### **Will I owe State income taxes?**

This Notice does not describe any State or Local Income Tax Rules (including withholding rules). Please note that state or local income tax is withheld only for those states where such withholding is mandatory. If you reside in a state that has a state income tax, and the state does not have a mandatory withholding rule, you will be responsible for any state income taxes due on the taxable portion of your distribution. For example, California assesses a 2.5% penalty for early withdrawals and income tax withholding is required unless you elect not to have income tax withheld.

### III. SPECIAL RULES AND OPTIONS

#### **If you miss the 60-day rollover deadline**

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see *IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs)*.

#### **If you have an outstanding loan that is being offset**

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the amount of the loan. The loan offset amount is treated as a distribution to you at the time of the offset and will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the loan offset to an IRA or Employer plan.

#### **If you were born on or before January 1, 1936**

If you were born on or before January 1, 1936, and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the taxable portion of the payment might apply to you. For more information, see *IRS Publication 575, Pension and Annuity Income*.

#### **If you roll over your payment to a Roth IRA**

If you roll over the payment to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see *IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs) and IRS Publication 590-B, Distributions from IRAs*.

#### **If you are not a Plan Participant**

**Payments After Death of the Participant.** If you receive a distribution after the Participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this Notice. However, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the Participant was born on or before January 1, 1936.

- **If you are a Surviving Spouse.** If you receive a payment from the Plan as the Surviving Spouse of a Deceased Participant, you have the same rollover options that the Participant would have had, as described elsewhere in this Notice. If you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA. An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½. If you treat the IRA as an inherited

IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the Participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the Participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the Participant would have been age 70½.

- **If you are a Surviving Beneficiary (Other than a Spouse).** If you receive a payment from the Plan because of the Participant's death and you are a Designated Beneficiary other than a Surviving Spouse, you have the option to do a direct rollover to an inherited IRA or, if the payment is from a Designated Roth Account, you have the option to do a direct rollover to an inherited Roth IRA. Payments from the inherited IRA, or from the inherited Roth IRA (even if made in a nonqualified distribution) will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA and/or Roth IRA.

**Payments under a Qualified Domestic Relations Order (QDRO).** If you are the Spouse or Former Spouse of the Participant who receives a payment from the Plan under a Qualified Domestic Relations Order (QDRO), you generally have the same options the Participant would have (for example, you may roll over the payment as described in this Notice). Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

#### **If you are a Nonresident Alien**

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. Employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See **Form W-8BEN** for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also **IRS Publication 519, U.S. Tax Guide for Aliens**, and **IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities**.

#### **Other Special Rules**

- **Payments For Less than 10 Years.** If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).
- **Payment Less than \$200.** If your payments for the year are less than \$200 (not including payments from a designated Roth Account in the Plan), the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover.
- **Mandatory Cashout.** Unless you elect otherwise, a Mandatory Cashout of more than \$1,000 (not including payments from a Designated Roth Account in the Plan) will be directly rolled over to an IRA chosen by the Plan Administrator. A Mandatory Cashout is a payment from a plan to a Participant made before age 62 (or Normal Retirement Age, if later) and without consent, where the Participant's benefit does not exceed \$5,000 (not including any amounts held under the Plan as a result of a prior rollover made to the Plan).
- **U.S. Armed Forces.** You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see **IRS Publication 3, Armed Forces' Tax Guide**.

## FOR MORE INFORMATION

You may wish to consult with a Professional Tax Advisor before taking a payment from the Plan. Also, you can find more detailed information on the Federal Tax Treatment of payments from Eligible Employer plans in ***IRS Publication 575, Pension and Annuity Income, IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs), IRS Publication 590-B, Distributions from IRAs, and IRS Publication 571, Tax-Sheltered Annuity Plans (403b Plans)***. These publications are available from a local IRS office, on the IRS website at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORM.



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# Northern California Pipe Trades Supplemental Pension Plan

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## Notice of Spousal Rights

This notice is addressed to the spouse of a Plan Participant who is also the Participant's designated beneficiary under the Plan. This does not apply to an unmarried Participant.

## Summary of Spousal Rights

The Northern California Pipe Trades Supplemental Pension Plan (referred to as "the Plan" in this notice) is an individual account Plan. In other words, the value of your spouse's retirement benefit under the Plan at any time is exactly equal to the value of his or her Account. When applying for benefits, your spouse must choose between the following types of payment:

- A lump-sum payment of the current Account value at time of payment, either paid to your spouse or rolled over to an IRA or other eligible benefit plan,
- A series of periodic payments (monthly, quarterly, ...) in fixed amounts which will continue until the balance in your spouse's Plan Account is zero,
- A Qualified Joint and Survivor Annuity (QJSA). **If this option is chosen, the annuity is normally purchased from an insurance company after liquidating the assets in your spouse's Account.** Such an annuity would be paid monthly for the life of your spouse. Further, if your spouse should die before you, a fixed percentage of the monthly benefit will continue to be paid to you for the remainder of your life. The fixed percentage referred to in the preceding sentence must be selected on or before retirement and must be between 50% and 100%,

### Federal law requires that

- Plan benefits are normally paid as a Qualified Joint and Survivor Annuity,
- The spouse of a married Participant who is also the Participant's designated beneficiary under the Plan has the right to a Qualified Pre-retirement Survivor Annuity (QPSA), further explained below. This essentially means that the spouse has a right to be paid a monthly annuity based on the value of the Participant's Account in the event that the Participant dies *before* retiring.
- If a married Participant with a spouse beneficiary wishes to receive benefits in a form other than a Qualified Joint and Survivor Annuity, then the spouse must waive his or her right to both the Qualified Joint and Survivor Annuity and the Qualified Pre-retirement Survivor Annuity before benefits can be paid.

The material on the following page is intended to help explain the QJSA and QPSA concepts in somewhat greater detail and to ensure that you understand your rights in connection with your spouse's decision to receive Plan Benefits. If you should have further questions, you may contact the office responsible for processing Plan payments, Kaufmann and Goble Associates, at (800) 767-1170.

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# Northern California Pipe Trades Supplemental Pension Plan

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## 1. What is a Qualified Joint and Survivor Annuity (QJSA)?

Federal law requires the Plan to pay retirement benefits in a special payment form unless your spouse chooses a different payment form and you agree to that choice. This special payment form is often called a “qualified joint and survivor annuity” or “QJSA”. The QJSA payment form gives your spouse a monthly retirement payment for the rest of his or her life. This is often called an “annuity.” Your spouse’s account is used to purchase the annuity. Under the QJSA payment form, after your spouse dies, each month the Plan will pay you a percentage of the retirement benefit that was paid to your spouse. The benefit paid to you after your spouse dies is often called a “survivor annuity” or a “survivor benefit.” You will receive this survivor benefit for the rest of your life.

### Example

Pat Doe and Pat’s spouse, Robin, choose to receive payments from the plan under the 50% QJSA payment form. Beginning after Pat retires, Pat receives \$600 each month from the plan. Pat then dies. The plan will pay Robin \$300 a month for the rest of Robin’s life.

## 2. How Can Your Spouse Change the Way Benefits Are Paid?

Your spouse and you will receive benefits from the Plan in the special QJSA payment form required by federal law unless your spouse chooses a different payment form and you agree to the choice. If you agree to change the way the Plan’s retirement benefits are paid, you give up your right to the special QJSA payments.

## 3. Do You Have to Give Up Your Right to the QJSA Benefit?

Your choice must be voluntary. It is your personal decision whether you want to give up your right to the special QJSA payment form.

## 4. What is a Qualified Pre-retirement Survivor Annuity (QPSA)?

Federal law gives you the right to receive a monthly death benefit from the Plan if your spouse dies before you, unless your spouse chooses to give up this benefit and you agree to that choice. You have the right to receive this monthly death benefit for the rest of your life beginning no later than when your spouse could have begun receiving retirement benefits. The death benefit is equal to the equivalent monthly value of your spouse’s account; that is, the value of a monthly annuity purchased with the total account value. This death benefit is often called a “qualified pre-retirement survivor annuity” or “QPSA” benefit. (The Plan will pay this benefit in a lump sum, rather than as a QPSA, if the value of the your spouse’s account is \$5,000 or less.)

### Example

Pat Doe dies at age 45 after earning a retirement benefit. The value of Pat’s death benefit is more than \$5,000. If Pat had lived, Pat could have retired and begun receiving payments as early as age 52 under the plan’s terms. If the QPSA benefit is chosen, the plan will liquidate Pat’s account and purchase an annuity that will pay a monthly benefit to Pat’s spouse, Robin Doe, for the rest of Robin’s life. Robin has the right to begin receiving the benefit no later than when Pat would have been 52 years old.

## 5. Do You Have to Give Up Your Right to the QPSA Benefit?

Your choice must be voluntary. It is your personal decision whether you want to give up your right to the QPSA benefit.