JULY 2020

TO: PARTICIPANTS OF THE NORTHERN CALIFORNIA PIPE TRADES SUPPLEMENTAL 401(K) RETIREMENT PLAN

RE: SUMMARY OF MATERIAL MODIFICATIONS TO THE NORTHERN CALIFORNIA PIPE TRADES SUPPLEMENTAL 401(k) RETIREMENT PLAN (“PLAN”)

The Board of Trustees of your Plan is pleased to provide you with the following summary of recent changes to the Plan.

**ENTITLEMENT TO BENEFITS – PLAN AMENDMENT**

**ACTIVE PARTICIPANTS ONLY**

Subsection 6.2 (l) of Section 6 – Involuntary Termination of Employment – COVID-19 Distribution

Effective July 1, 2020, through September 30, 2020

The Board of Trustees has extended the temporary COVID-19 Distribution Option through September 30, 2020, and approved a one-time distribution of up to one-half (1/2) of a Participant’s Individual Account balance with Plan not to exceed a maximum gross distribution amount of $30,000.

(1) **Involuntary Termination of Employment due to COVID-19.** Effective March 1, 2020, through June 30, 2020, a Participant who was involuntarily terminated on or after March 1, 2020, from Covered Employment as a result of the impacts of COVID-19 was entitled to a distribution of up to one-half (1/2) of his or her Individual Account balance with the Plan, up to a maximum gross distribution amount of $20,000.

Effective from July 1, 2020, through September 30, 2020, a Participant who was involuntarily terminated from Covered Employment on or after March 1, 2020, as a result of the impacts of COVID-19 is entitled to a one-time distribution of up to one-half (1/2) of the Participant’s Individual Account balance with the Plan not to exceed a maximum gross distribution amount of $30,000. NOTE: Any COVID-19 Distribution(s) issued from March 1, 2020, through June 30, 2020, would not reduce or affect a Participant’s eligibility for this distribution.

This distribution is to be consistent with a “Coronavirus-Related Distribution” as defined in the Coronavirus Aid, Relief, and Economic Security Act (known as the “CARES” Act). A Coronavirus-Related Distribution will be permitted for any of the following reasons:

a. A Participant who is diagnosed with the virus SARS-CoV-2 or with Coronavirus Disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention (“CDC”); or
b. A Participant whose Spouse or Dependent (as defined in section 152 of the Internal Revenue Code of 1986) is diagnosed with such virus or disease by such a test; or

c. A Participant who experiences adverse financial consequences as a result of being quarantined; being furloughed or laid off; being unable to work due to lack of child care due to such virus or disease; closing of a business owned or operated by the individual due to such virus or disease; or other factors as determined by the Secretary of the Treasury (or the Secretary’s delegate).

In order to qualify for a COVID-19 Distribution, a Participant must:

(i) Not have worked in Non-Covered Employment in the Pipe Trades Industry for a non-signatory Employer; and
(ii) Have been involuntarily terminated from employment on or after March 1, 2020, as result of the COVID-19 pandemic and remain unemployed on the date the distribution is made.
**Self-Certification Form (“COVID-19 Distribution Application Form”) Required.** A COVID-19 Distribution Application/Self-Certification Form must be completed and returned to the Distribution Administrator (Kaufmann & Goble) in order to be eligible for a COVID-19 Distribution. The Distribution Administrator may rely on a Participant’s certification on the Application that he or she satisfies the conditions noted above. If you believe you meet the eligibility requirement for the COVID-19 Distribution, please contact either the Distribution Administrator or Trust Fund Office for a COVID-19 Distribution Form. (Please note that you must be a qualified individual pursuant to the CARES Act in order to obtain favorable tax treatment). Please note if you previously submitted an application and qualified for the prior COVID-19 related distribution you will need to complete another Distribution Application/Self-Certification Form if you believe you qualify again for this one-time distribution.

**Taxes, Waiver of Premature Tax Penalties during 2020 and Tax Withholding.** You will be responsible for paying ordinary taxes on the Coronavirus-Related Distribution. Fortunately, Congress amended the law to eliminate the IRS 10% premature tax penalty for such early distributions during 2020 and does not require a mandatory 20% withholding on the distribution. You may elect to withhold any amount you want (otherwise the tax withholding will be 10%). This includes electing to withhold no taxes.

The State of California has amended the law to eliminate the 2.5% premature state tax penalty for early distributions during 2020.

While the distribution is subject to ordinary income tax, you can choose to include one-third (1/3) of the taxable amount in your income each year for three (3) consecutive years in order to spread the tax burden over a longer period. **You are encouraged to consult with a Tax Advisor regarding this matter.**

**Option to Repay the Plan During Three-Year Period Following Distribution.** In addition, if you wish, you have the right to repay the distribution to the Plan at any time during the three (3) year period beginning on the day after the date on which your Coronavirus-Related Distribution is received by you. If you do not repay the distribution within the three (3) year repayment period, then you lose the opportunity to repay the distribution. The repayments may be made in one or more installments which in the aggregate may not exceed the total amount of the Coronavirus-Related Distribution made to you. **You are encouraged to consult with a Tax Advisor regarding the repayment option.**

You can obtain a Distribution Application/Self-Certification Form on the Trust Fund Office website at [www.ncpttf.com](http://www.ncpttf.com).

Please contact the Distribution Administrator, Kaufmann & Goble, at 800/767-1170, option 4 if you have any questions.

**METHOD AND TIME OF DISTRIBUTIONS – PLAN AMENDMENT**

**ACTIVE AND RETIRED PARTICIPANTS**

Subsection 7.1 (f) of Section 7 – Optional Annual Adjustment of Monthly Payment

**Effective April 1, 2020**

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Effective April 1, 2020, the Board of Trustees has amended the Plan to require spousal consent when a married Participant, who is receiving a monthly retirement benefit, wants to make an adjustment on a monthly benefit amount that he/she is receiving from the Plan.

(f) **Optional Annual Adjustments of Monthly Payment.** A Participant receiving monthly retirement benefits from the Plan may, once in a twelve (12) month period, request a change in the amount of monthly benefits to be received, subject to applicable Internal Revenue Code distribution requirements or other applicable law. Such adjustment includes without limitation changing such payments to zero, subject to Internal Revenue Code distribution requirements. Effective April 1, 2020, married Participants are required to obtain spousal consent on any adjustment of a monthly payment, other than the Joint and Survivor Annuity payment (including converting to a lump sum payment).
GENERAL PROVISIONS – PLAN AMENDMENT
ACTIVE AND RETIRED PARTICIPANTS
Subsection 8.15 of Section 8 – Temporary Public Health Emergency Extension Rules
Effective Immediately

Effective immediately, the Board of Trustees has amended the Plan’s General Provisions to permit a temporary extension of time to file a claim or petition for review pursuant to the Emergency Rules and Regulations that were jointly released by the Internal Revenue Service (“IRS”) and Department of Labor (“DOL”) entitled “Extension of Certain Timeframes for Employee Benefit Plans, Participants, and Beneficiaries Affected by the COVID-19 Outbreak” dated April 29, 2020 (Federal Register, Vol. 85, No. 86, May 4, 2020).

8.15 Temporary Public Health Emergency Extension Rules. Effective immediately, an emergency regulation jointly released by the Internal Revenue Service (“IRS”) and Department of Labor (“DOL”) requires the Plan to disregard the period from March 1, 2020, until sixty (60) days after the announced end of the National Emergency or another date determined by the agencies in a future notice (referred to as the “Outbreak Period”) for all Plan Participants, Beneficiaries, or Claimants when determining the following periods and dates:

1. **Claim Filing Procedure.** The Outbreak Period (March 1, 2020, until sixty [60] days after the announced end of the National Emergency or another date determined by the agencies in the future) will not count toward any applicable benefit claims filing requirements, including but not limited to the one (1) year period to file suit, mentioned throughout this Plan Document, for retirement and disability claims. If applicable, for those claims received/processed prior to March 1, 2020, any days that passed prior to the March 1, 2020, start date of the Outbreak Period will not be disregarded in determining a claims filing deadline but the days that fall within the Outbreak Period will be temporarily tolled and counted from the end of the Outbreak Period.

2. **Plan’s Appeals Procedure.** The Outbreak Period (March 1, 2020, until sixty [60] days after the announced end of the National Emergency or another date determined by the agencies in the future) will not be counted toward any filing requirements on a petition for review of an adverse benefit determination. If applicable, for those who received an adverse benefit determination or claims denial earlier than March 1, 2020, any days that passed prior to the March 1, 2020 start of the Outbreak Period will not be disregarded in determining your appeals filing deadline but the days that fall within the Outbreak Period will be temporarily tolled and counted from the end of the Outbreak Period.

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 (“SPD”) THAT HAS BEEN SEPARATELY PROVIDED TO YOU. YOU SHOULD RETAIN THIS DOCUMENT WITH YOUR COPY OF THE RESTATED SPD BOOKLET.

Respectfully submitted,

Fund Manager
On Behalf of the Board of Trustees