NORTHERN CALIFORNIA PIPE TRADES TRUST FUNDS FOR UA LOCAL 342

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TO: ALL PARTICIPANTS WITH SUPPLEMENTAL 401(k) RETIREMENT ACCOUNTS

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

The Board of Trustees of the Northern California Pipe Trades Supplemental 401(k) Retirement Plan ("Plan") is providing you with the following summary of changes to the Plan called a Summary of Material Modification ("SMM"). The Plan has been amended to permit new Distribution types, such as allowing individuals with a terminal illness or those who live in an area that has been federally declared a disaster area and have suffered economic harm due to the disaster to take distributions. Additionally, the Board of Trustees have also amended the Plan to allow for a lump sum Distribution without Spousal Consent if the individual Account Balance is $7,000 or less, and if the individual is eligible for a Distribution. Pursuant to Federal Law, the Board of Trustees have also amended the Plan to comply with SECURE Act 2.0 limitations on Overpayment Recovery, as well as include the government-mandated ten-year Distribution rule for certain Non-Spouse Beneficiaries.

NON-SPOUSE BENEFICIARY – TEN YEAR DISTRIBUTION RULE – Plan Amendment
Section 7 – Method and Timing of Distributions
Subsection 5 – Pre-Retirement Death Benefits
Subsection 7B2 – Death of Participant Before Distributions Begin
Effective Immediately

The following language will be added to Section 7.5 of the Plan Document, creating new subdivisions (a) and (b). The reference to the 10-Year Rule will also be added to 7.7B2.

7.5 Pre-Retirement Death Benefits

(a) Married Participants: When a married Participant dies prior to his or her annuity starting date, a Pre-Retirement Survivor Annuity will be pid to the Participant's Surviving Spouse. The Spouse will be entitled to a Survivor Benefit that can be provided by the Participant's Individual Account Balance. The Plan may purchase an annuity from an insurance company or other entity, or may provide such Annuity in any manner deemed reasonable by the Trustees or their delegate.

Upon a married Participant's death, the Participant's surviving Lawful Spouse may waive the Pre-Retirement Survivor Annuity and, like a Beneficiary of an unmarried Participant, select a lump sum distribution or other benefit option in the Plan, subject to section 7.7 below and applicable Internal Revenue Code requirements.

To the extent a waiver is permitted under this Plan and pursuant to the Internal Revenue Code and lawful regulations issued thereunder, a Participant who has elected to waive the qualified Pre-Retirement Survivor Annuity with Spousal Consent may revoke the election at any time and any number of times during the period between the first day of the Plan Year in which the Participant attains age 35 and the date of the Participant's death.

The Pre-Retirement death benefits provided by the Plan are "incidental" within the meaning of Section 1.401(b)(1) of the regulations, taking into account the Qualified Joint and Survivor Annuity and the qualified Pre-Retirement Survivor Annuity.

(b) With respect to the methods of Distribution, a Non-Spouse Beneficiary is subject to the 10-Year Distribution Rule in the CARES Act and Internal Revenue Code. If a Beneficiary is subject to the 10-Year Distribution Rule, the Beneficiary must take a full Distribution from their individual account by the end of the 10th Year following the Year of the original Account Holder's death. Pursuant to IRS Notice 2022-54, for Beneficiaries subject to the 10-Year Rule, the IRS will not treat a Beneficiary of an inherited account as having failed to take the correct RMD, if they are subject to the 10-Year Rule *and* failed to take RMD for 2021 and 2022. The 10-Year Rule does not apply to minor children (under the age of 21) of the deceased Participant, but the 10-Year Rule would take effect beginning when the minor child reached Age 21.The 10-Year Rule does not apply to a disabled or chronically-ill individual, or a Beneficiary who is no more than ten-years younger than the Participant, or such individuals permitted by the Internal Revenue Code and/or IRS guidelines and regulations.

For Beneficiaries who are not subject to the 10-Year Distribution Rule, such as through intestate sucession or Beneficiaries who are not individuals (such as a Trust or an Estate), the Internal Revenue Code states that Distributions must take place within 5-Years will continue to apply to the extent required. The Plan will be interpreted in accordance with applicable IRS guidelines and regulations.

TERMINALLY ILL & RESIDENTS OF FEDERALLY DECLARED DISASTER AREAS– Plan Amendment
Section 6 – Entitlement to Benefits
Subsection 2 – Entitlement to Pension
Subdivisions l & m
Effective Immediately

The following language will be added to Section 6.2 as new Subdivisions l and m of the Plan Document

(l) Residents of Federally Declared Disaster Areas: A Participant living in a Federally Declared Disaster Area is entitled to a Distribution of up to $22,000 for each declared disaster under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The Distribution request must be made within 180 days after the date of the Federally declared disaster. The inclusion of the amount of the withdrawal may be spread over a three-year period for tax purposes. This provision is effective for disasters occurring on or after January 26, 2021.

Pursuant to the SECURE Act 2.0 and regulations issued thereafter, certain home purchase distributions may be recontributed to the Plan if a those funds were used to purchase a home in a disaster area and were not used because of the disaster. Amount may be recontributed to the Plan during the next three years.

The intent of this provision is to comply with the SECURE Act 2.0, which authorizes such Distributions without the Participant having to pay premature tax penalties to the IRS for such Distributions.

(m) Terminally Ill: A Participant who is not currently working in Covered Employment, who has been deemed as terminally ill, is entitled to a Distribution of their account. The Participant must have been deemed terminally ill by a Physician who has certified and provided documentation that the illness or condition will result in death within 84 months or less.

This intent of this provision is to comply with the SECURE Act 2.0, which authorizes such Distributions without the Participant having to pay premature tax penalties to the IRS for such Distributions.

LUMP SUM PAYMENT– Plan Amendment
Section 7 – Method and Timing of Distributions
Subsection 1 – Payment Options
Subdivisions a and i
Subsection 3 – Spousal Consent to Waiver Joint and Survivor Annuity
Effective January 1, 2024

The following language will be added to Section 7.1(a), 7.1(i), and 7.3 of the Plan Document

Effective January 1, 2024, if a Participant or Beneficiary entitled to a Distribution has an individual account balance of $7,000 or less, the Plan will pay the benefit in a lump sum payment. No Spousal Consent would be required for any such Distribution.

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 NWPS at 844/629-1949.

Respectfully submitted,
Fund Manager
On Behalf of the Board of Trustees