

NORTHERN CALIFORNIA PIPE TRADES TRUST FUNDS FOR UA LOCAL 342

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MARCH 2023

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 to the Plan called a Summary of Material Modification (“SMM”). Please review these important changes described below.

A. COMMENCEMENT OF BENEFIT PAYMENTS REQUIRED MINIMUM DISTRIBUTION AGE CHANGED

Plan Amendment

ACTIVE Participants

Article III, Section 10 – Effective for Participants who attain Age 72 after December 31, 2022, and
Participants who attain Age 74 after December 31, 2032.

Pursuant to federal law, the Age you are required to take your mandatory distributions known as the Required Minimum Distribution (“RMD”) has been changed from Age 72 to Age 73 (for individuals who reach Age 72 after December 31, 2022, and Age 73 before January 1, 2033). For individuals who reach Age 74 after December 31, 2032, the RMD Age will be 75. **IMPORTANT:** For individuals who already met an earlier RMD Date, the prior RMD rules apply to you (Age 70 ½ or Age 72). If you are already taking your RMD, you cannot stop taking your RMD. Below are the relevant Plan RMD rule changes required to comply with the law.

a. **Mandatory Distributions.** Regardless of any late Retirement election by the Employee or the Employee’s actual Date of Retirement, distribution shall be made under this Plan in accordance with the following requirements:

(i) **Age 72 RMD.** For a Participant who reached Age 70½ after December 31, 2019, and Age 72 before January 1, 2023, distributions shall be made or commence no later than April 1st of the calendar year following the later of:

- a) the calendar year in which the Participant reaches Age 72 or
- b) the calendar year in which the Participant retires (ceases work). However, the Required Minimum Distribution (“RMD”) Age for a five percent (5%) owner is Age 72, even if still working.

Age 73 RMD. Subject to paragraph (ii) below and notwithstanding any other provision, for a non-five percent owner Participant who reaches Age 72 after December 31, 2022, and Age 73 before January 1, 2033, distributions shall be made or commence no later than April 1st of the calendar year following the later of:

- a) the calendar year in which the Participant reaches age 73 or
- b) the calendar year in which the Participant retires (ceases work). However, the RMD Age for a five percent (5%) owner is Age 73, even if still working.

Age 75 RMD. Subject to paragraph (ii) below and notwithstanding any other provision, for a non-five percent owner Participant who reaches Age 74 after December 31, 2032, distributions shall be made or commence no later than April 1st of the calendar year following the later of:

- a) the calendar year in which the Participant reaches age 75 or
- b) the calendar year in which the Participant retires (ceases work). However, the RMD Age for a five (5%) owner is Age 75, even if still working.

(ii) Any Participant, including a 5% owner, who **has attained their RMD Age and is already receiving distributions**, would have to continue to be required to take distributions under the prior RMD rule.

- (iii) Distributions made pursuant to subparagraphs (i) and (ii) above must be payable over a period certain not to exceed the life or life expectancy of the Employee or the joint life or life expectancy of the employee and his/her designated beneficiary. All distributions made pursuant to this Section will meet the requirements of Treasury regulation 1.401(a)(9)-2 through 1.401(a)(9)-(9), including the incidental benefit requirements of Section 401(a)(9)(G) of the IRC.
- (iv) **Until and unless government regulations state otherwise**, if the Employee commences retirement after April 1st of the calendar year following the year in which the Employee reaches: **a) Age 72 (for Participants who reach age 70 ½ after December 31, 2019, and Age 72 before January 1, 2023), b) Age 73 (for Participants who reach age 72 between January 1, 2023, and December 31, 2032), and c) Age 75 (for Participants who reach age 74 after December 31, 2032)**, the Employee's accrued benefit shall be actuarially increased to account for the period after age 70½ in which the Employee was not receiving any benefits under the Plan. Such actuarial increase shall be calculated in accordance with IRC Section 401(a)(9)(C) and Regulations issued thereunder. The Participant's right to distributions on April 1st of the calendar year following the year in which **Age 70½** is reached shall be preserved under any circumstances. Benefits shall be paid in accordance with the minimum distribution requirements of IRC Section 401(a)(9) and applicable regulations.

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 925/356-8921, ext. 246.

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