

# SOUTHERN CALIFORNIA PIPE TRADES Retirement Fund Health & Welfare Fund

## SUPPLEMENT\*

To: All Participants  
From: Board of Trustees  
Date: January 2009  
Re: Reallocation of Contribution

### PLEASE KEEP THIS NOTICE WITH YOUR SUMMARY PLAN DESCRIPTION BOOK

Pursuant to the Master Agreement between District Council No. 16 and the California Plumbing and Mechanical Contractors Association, a decision has been made to reallocate \$1.00 from the hourly Health & Welfare Fund contribution to the Retirement Fund starting with hours worked in January 2009. It is anticipated that the \$1.00 contribution will be restored to the Health & Welfare Fund as of July 1, 2009. This reallocation does not reduce your benefits in any way.

#### **How this Change Affects your Health & Welfare Benefits**

If your employer is required to contribute to both the Health & Welfare Fund and the Retirement Fund on your behalf, then instead of

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\* Retirement Fund Supplement #17  
Health & Welfare Fund Active Plan Supplement #19

contributing \$6.02 per hour to the Health & Welfare Fund, your employer will contribute \$5.02. If your employer contributes only to the Health & Welfare Fund on your behalf (Apprentices 1 & 2, for example) your contribution to this Fund will remain at \$6.02. However whether or not the hourly contribution rate is \$5.02 or \$6.02, for as long as there remains two rates (six months) the amount of contribution required to become eligible, or to remain eligible, and the maximum amount permitted in your Eligibility Bank, will be based on the \$5.02 contribution rate so that all Participants will accrue eligibility at the same rate and no one is affected, either positively or negatively, by this change.

#### **How this change affects your Retirement Fund (pension) benefit**

If your employer is required to contribute to the Retirement Fund on your behalf, then that contribution will increase by \$1.00 per hour. For example, the standard Journeyman rate will be increased to \$6.87 per hour. All participants will continue to accrue credit under the same plan rules, exactly as before.

#### **Why this change is taking place**

These steps are being taken to help to improve the financial position of the Retirement Fund, which has been affected by the recent declines in investment values throughout the world. The Trustees believe that the additional \$1.00 per hour contribution to the Retirement Fund will help offset some of these losses and help insure that the Retirement Fund remains adequately funded. The Health & Welfare Fund continues to be financially healthy, with sufficient reserves to withstand the six-month contribution reduction.

The Trustees, the Union and the employers, will continue to monitor the financial situation and will work to strengthen the financial integrity of the funds to protect your benefits during these difficult economic times.