

SOUTHERN CALIFORNIA PIPE TRADES RETIREMENT FUND

SUPPLEMENT #14

To: All Participants
From: Board of Trustees
Date: April 2007
Re: Non-Spouse Beneficiary Rollovers and Joint and
Survivor Benefit Factors

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

Plan Amendment

The Board of Trustees of the Retirement Fund recently amended the Pension Plan as follows:

1. **Effective June 1, 2007**, the Plan is amended to permit a participant's non-spouse beneficiary to rollover an eligible distribution as permitted under the newly enacted Pension Protection Act of 2006. This will permit the beneficiary to defer taxes. Unlike a participant or the spouse of a participant, who have a greater choice of options as to where to rollover a distribution, a non-spouse beneficiary may only opt for a direct rollover to an Inherited IRA. An Inherited IRA is one established by the beneficiary solely to accept the Participant's death or survivor benefit. This can only be accomplished through a direct trustee-to-trustee rollover. Therefore, unlike a participant or spouse, if the non-spouse beneficiary directly receives a distribution from the Plan, he or she does not have the option to roll over that distribution to an Inherited IRA within 60 days of payment. In addition, a distributee includes a non-spouse beneficiary but only with respect to a direct trustee-to-trustee transfer of an eligible rollover to an "inherited individual retirement account" (referred to as an "Inherited IRA" in other document locations) or annuity within the meaning of section 408(d)(3)(C) and as permitted under Section 402(c)(11) of the Code.

Once rolled over into an Inherited IRA the benefits must still be distributed to the non-spouse beneficiary in installments over the life or life expectancy of the non-spouse beneficiary commencing within one year after the participant's death, or distributed in full within five years after the participant died. Unlike a surviving spouse, a non-spouse beneficiary will not be permitted to delay distribution from an Inherited IRA until he or she attains age 70½.

Keep in mind that few distributions from the Retirement Plan are eligible rollover distributions. The only types of distributions that are eligible for rollovers are lump sum death benefits, benefits payable in installments over a period of less than ten years and small benefit lump sum payouts of \$5,000 or less. A non-spouse beneficiary will be provided with a notice at the time of the distribution which will provide complete information as to the beneficiary's options and rights with respect to an eligible rollover distribution.

2. **Effective March 1, 2007**, the Plan is also amended to revise the factors used to calculate 50%, 66⅔% and 100% Joint and Survivor Annuity forms of benefit. This revision will generally have the effect of slightly increasing some of the optional forms of survivor benefits for certain age combinations and will ensure that the relative value of all optional forms of benefits are approximately equal.