To: All Participants

From: Board of Trustees

Date: March 2011

Re: Health Coverage for Retirees Engaged in Post-Retirement Employment

Effective January 1, 2011, Retirees who are enrolled in the Southern California Pipe Trades Pensioners and Surviving Spouses Health Fund (“Pensioners Plan”) who return to work with a Signatory Employer will no longer be eligible to participate in the Pensioners Plan. Retirees returning to work may be eligible to participate in the Southern California Pipe Trades Health and Welfare Fund for Active Employees (“Active Plan”); however, different rules will apply depending on the Retiree’s status and the type of work the Retiree performs. These changes are being made because of the establishment of a new Pensioners trust separate from the Active trust.

* Retirement Fund Supplement #21
   Health & Welfare Fund Supplement #26
   Pensioners & Surviving Spouses Health Fund Supplement #1
Covered Employment (Bargaining Unit Work). Those Retirees who return to work in Covered Employment for a Signatory Employer (work covered under a collective bargaining agreement requiring contributions to the Southern California Pipe Trades Trust Funds), including Retirees who return to Covered Employment under the Temporary Waiver Program for Retirees to Return to Work, will become eligible to immediately enroll in the Active Plan upon their return to Covered Employment. Upon returning to Covered Employment, a Retiree will lose coverage under the Pensioners Plan and be required to pay a premium to the Active Plan to maintain health care coverage. Upon re-retiring the Retiree may re-enroll in the Pensioners Plan and pay the applicable premium. If a Retiree is covered under both the Active Plan and the Pensioner’s Plan during any single month, the applicable premiums will be prorated between the Plans. The Fund will verify the Retiree’s dates of employment with the Employer.

In connection with Retirees returning to work in Covered Employment, the following rules will apply:

1. **Temporary Waiver Program:** A Retiree who returns to work under the Temporary Waiver Program and wishes to maintain health care coverage will be eligible to participate in the Active Plan providing the Retiree pays to the Active Plan, during the entire period of time the Retiree is working, the same premium amount the Retiree pays under the Pensioners Plan. During this time the Retiree’s payment to the Pensioners Plan will be suspended.

2. **Retirees Who Return to Covered Employment and Experience a Suspension of Pension Benefits:** A Retiree who returns to Covered Employment and experiences a suspension of his pension benefit and who wishes to maintain health care coverage will be eligible to participate in the Active Plan providing the Retiree pays to the Active Plan a premium amount equal to the Full COBRA rate (which is currently $827 per month) for each month the Retiree is working prior to becoming eligible under the Active Plan’s regular eligibility rules. During this time the Retiree’s payment to the Pensioners Plan will be suspended. Once the Retiree becomes eligible for benefits under the Active Plan, the Retiree will no longer be required to pay a premium to the Active Plan.
3. **Retirees Age 65 and Over Who Return to Covered Employment and Work 39 or Fewer Hours in a Month:** A Retiree who is age 65 or over who returns to Covered Employment and works 39 hours or fewer per month and who wishes to maintain health care coverage will be eligible to participate in the Active Plan providing the Retiree pays to the Active Plan, during the entire period of time the Retiree is working, the same premium amount the Retiree pays under the Pensioners Plan. During this time the Retiree’s payment to the Pensioners Plan will be suspended.

4. **Retirees Over the Age of 70½:** A Retiree who returns to work in Covered Employment after attaining age 70½ and wishes to maintain health care coverage will be eligible to participate in the Active Plan providing the Retiree pays to the Active Plan the same premium amount the Retiree pays under the Pensioners Plan for each month the Retiree is working prior to becoming eligible under the Active Plan’s regular eligibility rules. During this time the Retiree’s payment to the Pensioners Plan will be suspended. Once the Retiree becomes eligible for benefits under the Active Plan, the Retiree will no longer be required to pay a premium to the Active Plan.

**Non-Covered Work (Non-Bargaining Unit Positions).** A Retiree who returns to work in Non-Covered Employment (a position not covered under a collective bargaining agreement – e.g. estimator, detailer or management/corporate officer) with a Signatory Employer bound to a collective bargaining agreement requiring contributions to the Southern California Pipe Trades Trust Funds, will no longer be eligible to participate in the Pensioners Plan effective January 1, 2011. Such a Retiree will be eligible to participate in the Active Plan from January 1, 2011 through June 30, 2011 by paying to the Active Plan the same premium amount the Retiree pays under the Pensioners Plan. After June 30, 2011, such a Retiree will no longer be eligible to participate in the Active Plan or Pensioners Plan while the Retiree is working for the Employer in Non-Covered Employment.

**Return to Pensioners Plan Coverage After Cessation of Work.** Once a Retiree who had previously been eligible for and timely enrolled in the Pensioners Plan prior to returning to work for a Signatory Employer, ceases working in Covered Employment (including categories 1 through 4 above) or in Non-Covered Employment, and upon the exhaustion of
any Eligibility Bank, if applicable (Covered Employment categories 2, 3
and 4 above), he will be eligible to resume coverage in the Pensioner’s
Plan. Upon the Trust Fund Office learning that a Retiree has terminated
employment with a Signatory Employer, it will reinstate the Retiree in
the Pensioner Plan, retroactive to the date immediately following the day
the Retiree last worked, unless the Retiree promptly notifies the Plan that
he does not want to reinstate his coverage. The applicable premium will
thereafter be paid to the Pensioners Plan. A Retiree who elects not to re-
enroll in the Pensioners Plan and pay the applicable premium will be
prohibited from re-establishing eligibility in the Pensioners Plan at a later
date.

The premiums and the rules set forth above may be changed or modified
as deemed appropriate by the Trustees.

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