

SOUTHERN CALIFORNIA PIPE TRADES DEFINED CONTRIBUTION FUND

SUPPLEMENT No. 7

To: All Participants

From: Board of Trustees

Date: May 2015

Re: Changes to When You Can Be Required to Take a Distribution from the Plan

**KEEP THIS NOTICE WITH THE
SUMMARY PLAN DESCRIPTION**

Plan Amendment

The rules for automatic cash-out of small accounts in the Defined Contribution Plan have been changed to increase the amount subject to such an automatic distribution and to provide that some automatic distributions be rolled over to an Individual Retirement Account (IRA) selected by the Plan.

Currently the Plan allows for the automatic distribution of a Participant's account if:

1. The value of the account is \$1,000 or less (not including any rollover balance); and
2. There have been no contributions made to the account for 12 consecutive months; and
3. The Participant has ceased working in the industry.

An automatic distribution does not require the Participant to apply for a benefit; the Plan automatically distributes the benefit.

Effective July 1, 2015, the account value subject to an automatic distribution has been increased to \$5,000 or less and amounts in an account attributable to a rollover will be included in determining the value of an account. In addition, automatic distributions may be rolled over to an IRA selected by the Plan when a Participant fails to make a distribution election after being notified that the account is subject to the automatic distribution rules.

Here is how automatic distributions will work:

1. Periodically the Fund Office will send notices to Participants whose account values are \$5,000 or less, who have had no contributions added to their account for at least 12 consecutive months, and for whom the Fund Office has no record of current employment in the industry.
2. The notice will advise the Participant that the Participant's account is subject to the automatic distribution provision. The Participant may then choose to have the account

balance paid out in a lump sum, rolled over into an IRA selected by the Plan, or rolled over into another IRA or qualified retirement plan selected by the Participant.

A Participant may also choose to provide information to the Fund Office showing that the Participant is still working in the industry and should therefore not be required to take a distribution. For example, the Participant might show that he or she is actively seeking work by registering on a Local Union out-of-work list or is temporarily not working due to a disability or military service.

3. If the Participant fails to respond to the notice, or cannot be located, the Plan will automatically distribute the balance in the Participant's account to an IRA for the Participant except that, if Participant's account is \$1,000 or less, the Plan may issue a check directly to the Participant instead of establishing an IRA.

Currently, the Trustees have selected New York Life/John Hancock to provide the automatic rollover IRAs. The Participant will be able to direct investments within the IRA. New York Life/John Hancock will charge fees to the IRA. Once the account is rolled over to the IRA, the Plan will no longer have responsibility for the account. The Trustees reserve the right to select a different IRA provider should they determine it is reasonable and prudent to do so.

The Trustees made these changes to reduce Plan expenses, which are paid for by all Participants.

It is essential that the Fund Office has a current address for every Participant. When you move, you must complete a Change of Address form, which is available from the Fund Office at (800) 595-7473 (select Option 2 for Member Services) or online at www.scptac.org.