



**SOUTHERN CALIFORNIA PIPE TRADES
RETIREMENT FUND**
and
HEALTH & WELFARE FUND
(Active Plan)

SUPPLEMENT*

To: All Participants
From: Boards of Trustees
Date: July 2020
Re: Changes in Contribution Rates

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

Effective July 1, 2020

Because of the decline in the financial markets caused by the COVID-19 pandemic, the Delegates of District Council No. 16 determined that it was prudent to allocate additional money to the Retirement Fund to ensure that it continues to remain financially sound. Accordingly, the Delegates voted to transfer contributions from the Health & Welfare Fund Health Reimbursement Arrangement (HRA) to the Retirement Fund.

HRA contribution rates will be reduced by \$0.50 for any job class that includes a contribution to the Retirement Fund. If the current HRA contribution rate for such a job class is less than \$0.50, the HRA contribution rate will be reduced to \$0.00. For any job class where there is a reduction in the HRA rate, the Retirement Fund contribution rate will be increased by the same amount. If a job class has no Retirement Fund contribution rate, the HRA contribution rate will remain unchanged.

Because of this transfer of HRA contributions, the standard contribution rate for the Retirement Fund will increase from \$8.50 to \$9.00. This standard rate is used for prorating Pension Hours when the actual contribution rate is higher or lower than the standard rate. The prorated Pension Hours are used to determine the amount of your monthly pension benefit upon retirement.

The effect of this contribution rate increase on your ultimate pension benefit depends on (1) the current contribution rate for your job class, (2) the amount of the HRA contribution rate available

* Retirement Fund Supplement No. 2 – 2020
Health & Welfare Fund Supplement No. 7 – 2020

for your job class to be reallocated to the Retirement Fund contribution. Some Participants will experience a minor decrease in their pension benefit accrual, some will experience a minor increase, and most will see no change in their accrual.

Effective September 1, 2020

The Membership of District Council No. 16 voted to allocate \$0.50 from the annual wage and benefit package increase to the standard Retirement Fund contribution rate. This increase applies to any job class that has the standard \$9.00 contribution rate as of August 31, 2020, increasing the standard rate to \$9.50. Generally, because the Retirement Fund contribution rate for all job classes with a less-than-standard rate will be increased proportionally, there will be no change in pension benefit accrual as a result of the September 1 contribution increase.

You may obtain a pension benefit estimate at any time by requesting one from the Fund Office. At this time, due to the COVID-19 pandemic, the Fund Office is unable to provide walk-in or live telephone customer service. However, you may contact the Fund Office by leaving a message at **(800) 595-7473**, or by email at **info@scptac.org**.

This Southern California Pipe Trades Health & Welfare Fund believes this Plan is a “grandfathered health plan” under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your Plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the Trust Fund Office at (800) 595-7473. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or <https://www.healthcare.gov/health-care-law-protections/grandfathered-plans/>. This website has a table summarizing which protections do and do not apply to grandfathered health plans.