SOUTHERN CALIFORNIA PIPE TRADES ADMINISTRATIVE CORPORATION
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SOUTHERN CALIFORNIA PIPE TRADES
DEFINED CONTRIBUTION FUND

SUPPLEMENT No. 7

To: All Participants

From: Board of Trustees

Date: June 2024

Re: Required Beginning Distributions, Involuntary Cash-Out of Small Accounts, Distributions to Terminally Ill Participants, and Disclaimer of Benefits

KEEP THIS NOTICE WITH THE SUMMARY PLAN DESCRIPTION

The Board of Trustees has adopted amendments to the Plan and Summary Plan Description (SPD) as follows:

1. **Required Minimum Distributions**.
   Effective January 1, 2023, the Plan has been amended to reflect changes to the date a Participant must begin taking distributions under Securing A Strong Retirement Act of 2022 ("SECURE 2.0 Act").

   - Section 10(D) of the Summary Plan Description has been revised to read as follows:

     D) Required Minimum Distributions
     You are not required to take a distribution when you retire, except that, generally, you may not postpone the payment of benefits beyond April 1 following the year in which you reach the applicable age for a required minimum distribution, known as the required beginning date. However, if you have not yet retired, you may continue to postpone the payment of benefits until April following the year in which you retire (even if you have reached the required beginning date). The Fund Office will make payments to any Participant, who can be located and who has reached these required beginning dates, even if an application has not been filed.

     For purposes of determining your required beginning date, "applicable age" means:

     i) for those Participants who reached age 70½ on or before December 31, 2019, age 70½;
     ii) for those Participants who reached age 70½ on or after January 1, 2020, but before January 1, 2023, age 72;
     iii) for those Participants who reach age 72 after December 31, 2022, and age 73 before January 1, 2033, age 73; or
     iv) for those Participants who attain age 74 after December 31, 2032, age 75.

   - Sections 10(E) and 10(F) of the Summary Plan Description have been added to read as follows:

E) Rollovers for Surviving Spouse Beneficiaries

Most distributions made to a surviving Spouse Beneficiary are eligible for rollover. A surviving 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. A surviving Spouse may not postpone the payment of benefits beyond when you would have reached the applicable age as defined under Internal Revenue Code Section 401(a)(9)(C)(v) or, if later, the end of the Calendar Year immediately following the Calendar Year in which you died. The Fund Office will make payments to any surviving Spouse Beneficiary, who can be located and who has reached these required beginning dates, even if an application has not been filed.

F) Non-Spouse Beneficiaries

Payments to non-Spouse Beneficiaries must be made no later than one year from the date of your death or, if later, as soon as practicable after the Trustees learn of the death. A non-Spouse Beneficiary may roll over an eligible rollover distribution only through a direct trustee-to-trustee transfer and only to an "inherited IRA" (see Section 10, page 15), Roth IRA, or annuity. An inherited IRA is one established by the Beneficiary solely to accept your death or survivor benefit and may include a Roth IRA. This can only be accomplished through a direct trustee-to trustee Rollover Distribution. Therefore, unlike a Participant or surviving Spouse, if the non-Spouse Beneficiary directly receives a distribution from the Plan, they do not have the option to convert the payment to a Rollover Distribution by depositing it to an inherited IRA within 60 days of payment. By rolling over the distribution, the non-Spouse beneficiary will be able to defer taxes.

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 starting within one year after your death or distributed in full within five years after you die. Unlike a surviving Spouse, a non-Spouse Beneficiary will not be permitted to delay distribution from an inherited IRA until they would have attained the applicable age as defined under Code Section 401(a)(9)(C)(v).

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 a Rollover Distribution.

2. Involuntary Cash-Out Limit.

Effective January 1, 2024, Section 9(E) of the Summary Plan Description has been revised to read as follows:

E) Automatic Payment of Small Individual Accounts

Your Individual Account may be paid to you automatically in a lump sum, regardless of whether or not you apply for benefits.

i) The Fund Office will send a notice to you if your Individual Account balance is $7,000 or less, and you have had no contributions added to your account for at least 12 consecutive months, and if the Fund Office has no record of your current employment in the industry.
ii) The notice will advise you that your Individual Account is subject to the automatic distribution provision. You 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 you.
iii) However, you may also choose to provide information to the Fund Office showing that you are still working in the industry and should therefore not be required to take a distribution. For example, you might show that you are actively seeking work by registering on a local Union out-of-work list or are temporarily not working due to a disability or military service.
iv) If you fail to respond to the notice, or cannot be located, the Plan will automatically distribute the balance in your Individual Account to an IRA for you except that, if your account is $1,000 or less, the Plan may issue a check directly to you instead of establishing an IRA.

Benefits Available Before Retirement		
Type of Withdrawal	**Amount Available**	**Key Limitations**
Payment Due to Hardship	100% of Individual Account	• Limited to certain hardship circumstances only
Employer 401(a) Contribution Account – Inactivity	Employer 401(a) Contribution account balance	• Employer 401(a) Contribution account balance must be $2,000 or less • Two Calendar Years with no Employer 401(a) Contributions
Employer 401(a) Contribution Account – In-service	Employer 401(a) Contribution account balance	• First Employer 401(a) Contribution received at least five years ago • 12 months with no contributions • Employer has not restarted Employer 401(a) Contributions
Payment on Termination of Employment	100% of Individual Account	• 12 months with no contributions • 12 months with no employment with a Contributing Employer • 12 months with no employment in the industry in D.C. No. 16
Payment Due to Disability	100% of Individual Account	• Must have Social Security disability "notice of award"
Automatic Payment of Small Individual Accounts	100% of Individual Account	• Individual Account balance must be $7,000 or less (not counting any Rollover Contribution account balance) • Must meet requirements for Termination of Employment above • Only at Trustees' discretion
Payment Due to Qualified Birth or Adoption of a Child	Up to $5,000 of your Individial Account	• Must withdraw funds within one year of the child's date of birth or within one year of when the adoption is finalized.
Payment Due to Terminal Illness	100% of Individual Account	• Must submit a written certification from a physician containing specific information. (See item 3(H) below for further details.)

Notes:
- This is only a summary of the Plan's distribution Rules. See Section 9, page 12 of the SPD, and Supplement No. 3 and No. 7 for further details.
- Federal and state income tax and tax penalties can total more than 50% of withdrawals taken before age 59½. See Section 13, page 17 for further details.

3. Distributions to Terminally Ill Participants.

Effective January 1, 2024, a new Section 9(H) has been added to the SPD as follows:

H) Advance Distribution for Terminally Ill Participants

If you become terminally ill, you may receive a distribution of the value of your Individual Account in the Plan, regardless of whether you qualify for another type of distribution under the Plan.

You are considered "terminally ill" if you have been certified by a physician as having illness or physical condition which can reasonably be expected to result in death in seven years or less.

In order to be eligible for an advance distribution due to terminal illness, you must submit a written certification from a physician that includes:

i) A statement that your illness or physical condition can be reasonably expected to result in death within 84 months of the certification;
ii) A narrative description of the evidence used to support the statement;

iii) The examining physician's name and contact information;
i) The date the physician examined you or reviewed evidence you provided;
ii) Your physician's signature with date; and
iii) An attestation that your physician composed the narrative description based on a physical examination of you or a review of evidence you provided.

This withdrawal is not subject to the 10% early distribution penalty for taking a withdrawal before age 59½, nor is it subject to the normal 20% mandatory withholding for taxes that applies to eligible rollover distributions. The Plan will withhold at the rate of 10% for taxes unless you elect no withholding.

You have the option to repay to the Plan all or a portion of the amount you withdraw. All such withdrawals and repayments will be subject to federal law and any rules or regulations issued by the Internal Revenue Service.

4. Disclaimer of Benefits.

Effective January 1, 2024, a new Section 10(G) has been added to the SPD as follows:

G) Disclaimer of Benefits.

A Beneficiary who is eligible to receive benefits on behalf of a deceased participant may relinquish the right to such benefit by timely submission (no later than nine months after the death of the Participant) of a written disclaimer of benefits that satisfies the requirements of applicable federal and state law. If you would like to make a written disclaimer, you should contact the Fund Office for the necessary forms.

KEEP THE FUND OFFICE INFORMED OF YOUR ADDRESS.

If the Fund office does not have your current address, you will not be informed about important changes to your benefits and you may not receive all the benefits to which you are entitled. You can obtain a Change of Address Form from www.scptac.org, or from the Fund office or your Local Union office. You may also use this QR code to complete a Change of Address Form.

You should also promptly advise the Fund office of any change in your family status, such as marriage, divorce, or death.