

IDAHO PIPE TRADES TRUST

Administrative Office



Idaho Pipe Trades
Health & Welfare Trust
LU 296 & LU 648

Plumbers & Pipefitters
Pension Trust
LU 296 LU 648 LU 41

To: Plan Participants, Idaho Plumbers and Pipefitters Pension Plan
Cc: Contributing Employers and Employee Organizations
Re: Notice Regarding Plan Amendment Potentially Reducing Future Benefit Accruals
Date: May 15, 2017

The Board of Trustees recently adopted an amendment to the Idaho Plumbers and Pipefitters Pension Plan ("Plan"). The purpose of this document is to notify you of this Plan change and revise the description of benefits in the current Summary Plan Description dated January 1, 2016 ("SPD"). This change is applicable to Covered Hours worked on and after June 1, 2017. Please read this notice carefully and keep it with your SPD booklet and your other retirement plan records.

CURRENT PLAN BENEFIT

As explained on pages 10-11 of the SPD, contributions made by contributing employers to the Plan are divided into "Basic Contributions" and "Supplemental Contributions." You earn benefits only on Basic Contributions. Supplemental Contributions are used to improve the funding status of the Plan and are not taken into account for benefit accrual purposes.

The monthly normal retirement benefit amount you earn under the Plan is based on the following formula: 1% of the Basic Contributions your employer makes to the Plan on your behalf for your Covered Hours worked during a Plan Year (June 1 – May 31). You must work at least 401 Covered Hours in a Plan Year to earn a benefit for that year.

If you travel outside of the Local 41, 296 or 648 jurisdictions to do work covered by a reciprocal UA pension plan, contributions for your work are sent to this Plan if this is your "home" Plan. Your contributions are divided between Basic and Supplemental Contributions based on your home local's rates, and your benefit is then computed the same as a member working within the UA 41, 296, or 648 jurisdiction: 1% of your Basic Contributions, and no benefit accrual for Supplemental Contributions. See page 11 of the SPD for an example.

The current Basic and Supplemental Contribution Rates are:

	Basic Contribution Rate	Supplemental Contribution Rate	Total
Non-Construction Employer	\$3.32	\$0.80	\$4.12
Idaho Construction Employer			
<i>Local 296</i>	\$3.92	\$0.80	\$4.72
<i>Local 648</i>	\$4.30	\$0.90	\$5.20
Montana Construction Employer	\$3.00	\$0.70	\$3.70
Light Commercial / Residential Supplement Employer			
<i>Local 296 (Tradesman)</i>	\$1.25	\$0.25	\$1.50
<i>Local 296 (Servicemen)</i>	\$1.85	\$0.40	\$2.25
<i>Local 648</i>	\$2.65	\$0.65	\$3.30

PLAN CHANGE

The Board has amended the Plan to change how the Basic and Supplemental Contributions are determined. Effective for Covered Hours worked on and after June 1, 2017, the Supplemental Contribution rate will equal 18% of your total hourly contribution rate (rounded to the nearest cent), while the remaining portion (roughly 82%) is your Basic Contribution rate. This change may increase or decrease your Basic Contributions and therefore could affect your benefit.

Example 1: John performs 700 hours of covered construction work for a Local 296 employer, whose total contribution rate is \$4.72/hour, so the employer contributes \$3,304 (\$4.72 x 700 hours) to the Plan.

Under current rules, \$2,744 are Basic Contributions (700 x \$3.92) and \$560 are Supplemental Contributions (700 x \$0.80). For this work, the Plan credits John a monthly benefit accrual of \$27.44 (1% x \$2,744 in Basic Contributions).

For work after June 1, 2017, John’s Basic Contribution rate is \$3.87 (\$4.72 x 82%) and his Supplemental Contribution rate is \$0.85 (\$4.72 x 18%). Of the \$3,304 contributed, \$2,709 are Basic Contributions (700 x \$3.87) and \$595 are Supplemental Contributions (700 x \$0.85). For this work, the Plan credits John a monthly benefit accrual of \$27.09 (1% x \$2,709 in Basic Contributions).

Example 2: Steve performs 700 hours of covered light commercial tradesman work for a Local 296 employer, whose total contribution rate is \$1.50/hour, so the employer contributes \$1,050 ($\1.50×700 hours) to the Plan.

Under current rules, \$875 are Basic Contributions ($700 \times \$1.25$) and \$175 are Supplemental Contributions ($700 \times \$0.25$). For this work, the Plan credits Steve a monthly benefit accrual of \$8.75 ($1\% \times \875 in Basic Contributions).

For work after June 1, 2017, Steve's Basic Contribution rate is \$1.23 ($\$1.50 \times 82\%$) and his Supplemental Contribution rate is \$0.27 ($\$1.50 \times 18\%$). Of the \$1,050 contributed, \$861 are Basic Contributions ($700 \times \$1.23$) and \$189 are Supplemental Contributions ($700 \times \$0.27$). For this work, the Plan credits Steve a monthly benefit accrual of \$8.61 ($1\% \times \861 in Basic Contributions).

Example 3: Linda performs 700 hours of covered construction work for a Local 648 employer, whose total contribution rate is \$5.20/hour, so the employer contributes \$3,640 ($\5.20×700 hours) to the Plan.

Under current rules, \$3,010 are Basic Contributions ($700 \times \$4.30$) and \$630 are Supplemental Contributions ($700 \times \$0.90$). For this work, the Plan credits Linda a monthly benefit accrual of \$30.10 ($1\% \times \$3,010$ in Basic Contributions).

For work after June 1, 2017, Linda's Basic Contribution rate is \$4.26 ($\$5.20 \times 82\%$) and her Supplemental Contribution rate is \$0.94 ($\$5.20 \times 18\%$). Of the \$3,640 contributed, \$2,982 are Basic Contributions ($700 \times \$4.26$) and \$658 are Supplemental Contributions ($700 \times \$0.94$). For this work, the Plan credits Linda a monthly benefit accrual of \$29.82 ($1\% \times \$2,982$ in Basic Contributions).

Note that since the Supplemental Contribution rate will equal 18% of your total contribution rate and will no longer be a fixed dollar amount, your Supplemental Contributions will change any time your total contribution rate changes.

Additionally, if you travel outside of the Local 41, 296 or 648 jurisdictions to do work covered by a reciprocal UA pension plan, after June 1, 2017 your contributions sent to this Plan will be divided as follows: 18% (rounded to the nearest cent) as Supplemental Contributions and the other roughly 82% as Basic Contributions.

For More Information

Please refer to your summary plan description booklet for information about other Plan provisions. You and your spouse may also wish to consult a personal financial adviser to determine the specific impact on your retirement benefits. In the meantime, the Administrative Office will be happy to assist you if you have any questions about this notice or the changes it describes. You may reach the Trust Office at 208-288-1610 (or toll free at 800-808-1687) or by mail at 1220 SW Morrison Street, Suite 300, Portland, OR 97206.