

# 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 IGC

October 31, 2007

## IDAHO PLUMBERS & PIPEFITTERS PENSION PLAN SUMMARY OF MATERIAL MODIFICATION

This is an Addendum to the Summary Plan Description ("SPD") for the Idaho Plumbers and Pipefitters Pension Plan ("Plan"), dated December 2006. This Addendum is called a Summary of Material Modifications ("SMM"), and it describes important changes to the Plan and revises the description of benefits in the SPD. Please read this notice carefully and keep it with your SPD booklet and your other retirement plan records.

### Benefit Level Increase for the 2003 Plan Year

If you worked Covered Hours during the 2003 Plan Year (i.e., the period from June 1, 2003 through May 31, 2004), you were previously entitled to an accrued benefit for that year equal to 1% of the contributions your employer made for Covered Hours you earned. The Plan was recently amended to increase the benefit level for the 2003 Plan Year to 1.5%. The benefit level for other Plan Years remains unchanged.

To qualify for this benefit increase, you must have earned at least 401 Covered Hours during the 2006 Plan Year (June 1, 2006 through May 31, 2007). If you do not qualify, your benefit level for the 2003 Plan Year (if any) will remain at 1%.

This change is effective as of June 1, 2007.

BOARD OF TRUSTEES  
IDAHO PLUMBERS & PIPEFITTERS PENSION TRUST

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575 N Ralstin St, Ste B - Meridian ID 83642-4095  
Telephone 208-288-1610 FAX 208-288-1670



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November 18, 2008

## Idaho Plumbers and Pipefitters Pension Plan

### Summary of Material Modification

The Idaho Plumbers and Pipefitters Pension ("Plan") has modified its Summary Plan Description (SPD). The purpose of this Notice is to explain the change in the SPD.

Please read this notice carefully and keep it with your SPD booklet and your other retirement plan records.

#### Permanent Disability Retirement

This information relates to page 29 of the SPD. The benefit example has been updated as follows:

<b>Benefit Example</b>	
Bill, age 53, is a Plan participant on June 1, 2006 with an accrued monthly benefit of \$604 payable on June 1, 2015, when he turns age 62. On June 1, 2006, Bill becomes permanently disabled and is eligible to receive the permanent disability benefit. Bill's monthly retirement benefit is as follows:	
Monthly accrued benefit payable at age 62:	\$604.00
Actuarial reduction from age 62 to age 53:	.5000
Monthly retirement benefit payable at age 53:	\$302.00
In this example, Bill's monthly accrued retirement benefit, payable at age 62 is reduced to a benefit payable at his disability retirement date of age 53 to reflect the longer period of time over which his benefit will be paid. The benefit will be reduced further if Bill elects a form of payment other than the Life Annuity method of payment.	

The definition of Actuarially Adjusted or Actuarially Reduced on page 45 of the SPD has been revised to indicate the actuarial reduction or adjustment is based on factors that vary depending on age on the benefit effective date and form of benefit elected.

If you have any questions, please contact C.J. Barrett at the Administrative Office.

The Board of Trustees  
Idaho Plumbers & Pipefitters Pension Trust

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575 N Ralstin St, Ste B - Meridian ID 83642-4095  
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September 14, 2009

**To: Eligible Covered Employees and Beneficiaries, Contributing Employers and Bargaining Parties**

**Re: Notice of Potential Reduction in Future Benefit Accrual Rate**

We are writing to let you know about important changes to the Idaho Plumbers and Pipefitters Pension Plan (the "Plan") approved by the Board of Trustees at its recent meetings.

As you know, 2008 was a difficult year for all types of investments. During the plan year ending May 31, 2009, this Plan's investment return on a market value basis was about -24%. While this is comparable to other multiemployer funds for this period, it is still some 31% behind the annual return expectation of 7%. This has changed the funded position of the Plan significantly.

At the meetings, the Trustees agreed to require that the bargaining parties make additional contributions – called "Supplemental Contributions" – equal to 24% of the employer contribution rate in effect on June 1, 2009 (rounded up to the next 5 cents). These contributions will not be taken into account for benefit accruals. Instead, they will be used to improve the funding status of the Plan.

The Trustees have determined that the changes described in this notice are necessary to help secure the benefits you have already earned as well as those you earn in the future.

**The changes described only apply to contributions made for hours worked and benefits earned on and after October 1, 2009.**

- **If you are a retired or terminated vested participant, this change does not affect you (unless you subsequently return to covered employment).**
- **If you are an active participant or a retired participant continuing to work covered hours, the benefit you earned through September 30, 2009 is not affected by the changes described in this notice.**

## **CURRENT PLAN BENEFIT**

Currently, the monthly normal retirement benefit amount you earn under the Plan is based on the following formula: 1.0% of the "Contributions" your employer makes to the Plan on your behalf for the plan year.<sup>1</sup> Your employer is required to make a Contribution for every hour that you work in covered employment (called a "covered hour"). Your employer's hourly contribution rate is established by the bargaining parties (your employer and the union) and is set forth in the applicable collective bargaining agreement. You must work at least 401 covered hours in a plan year to earn a benefit for the year.

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<sup>1</sup> Note that different benefit formula applied for covered hours worked in prior time periods. See your Summary Plan Description booklet ("SPD") for details.

**EXAMPLE:** Assume your employer's hourly contribution rate is \$3.17 and you work 1,800 covered hours during the plan year beginning June 1, 2008 and ending May 31, 2009. A total of \$5,706 in Contributions would be made to the Plan on your behalf for the year [ $\$3.17 \times 1,800$ ], and the monthly benefit amount you would earn for the year equals \$57.06 [ $\$5,706 \times 1.0\%$ ].

**PLAN CHANGES EFFECTIVE OCTOBER 1, 2009**

*Beginning October 1, 2009*, employer contributions will be designated as either:

- "Basic Contributions" or
- "Supplemental Contributions."

Only the contributions designated as "Basic Contributions" will be eligible for benefit accruals. You will not earn benefits for Supplemental Contributions. Therefore, effective for covered employment on and after October 1, 2009, you will earn a monthly retirement benefit under the Plan equal to 1.0% of the "Basic Contributions" your employer makes to the Plan on your behalf, provided you work at least 401 covered hours in the plan year.

As mentioned above, the Trustees have asked the bargaining parties to negotiate a target Supplemental Contribution during the 2009/2010 plan year. The amount of the "Target" Supplemental Contribution is equal to 24% of each employer's contribution rate as of June 1, 2009, rounded up to the next 5 cents per hour, as described in Table I below:

**TABLE I**

	<b>Column A</b>	<b>Column B</b>
<b>Bargaining Agreement</b>	<b>June 1, 2009 Benchmark Contribution Rate</b>	<b>Target Supplemental Contribution Rate</b>
Intermountain Gas	\$3.22	\$0.80
Construction Employers – Local 296	\$3.17	\$0.80
Local 648	\$3.55	\$0.90
Montana Construction	\$2.75	\$0.70
Light Commercial Employers – Local 296	\$0.77	\$0.20
Local 296	\$1.54	\$0.40
Local 648	\$2.65	\$0.65

**Basic vs. Supplemental Contributions during the Period from October 1, 2009 through December 31, 2009:**

During the period from October 1, 2009 through December 31, 2009, your Basic Contributions will be based on the contribution rate in effect on September 30, 2009. However, if the bargaining parties agree (or have agreed) to an increase in the employer contribution rate effective anytime during the period from October 1, 2009 through

December 31, 2009, all or a portion of the increase will be a Supplemental Contribution beginning October 1, 2009 (or the effective date of the increase, if later), determined as follows:

- If the increase is equal to or less than the Target Supplemental Contribution Rate (shown in Column B of Table I), the entire increase will be a Supplemental Contribution and will not be eligible for benefit accruals.
- If the increase is more than the Target Supplemental Contribution Rate, only the Target amount will be a Supplemental Contribution (ineligible for benefit accruals), and the Basic Contribution will be based on the September 30, 2009 Contribution Rate plus the excess of the contribution increase over the Target.

**EXAMPLE:** Assume your employer's June 1, 2009 hourly contribution rate of \$3.17 remains the rate on September 30, 2009, and assume the hourly contribution rate is increased by \$0.80 to \$3.97 effective November 1, 2009. Beginning with your covered hours worked between November 1, 2009 and December 31, 2009, \$0.80 of your employer's contributions will be Supplemental Contributions that are ineligible for benefit accruals, while \$3.17 of your employer's contributions will remain Basic Contributions that will earn benefit accruals under the formula described above.

**Basic vs. Supplemental Contributions on and after January 1, 2010:**

Effective for covered hours worked on and after January 1, 2010, different rules apply in designating employer contributions as either "Basic Contributions" or "Supplemental Contributions."

***If the bargaining parties have agreed to*** make contributions effective by January 1, 2010 equal to the sum of (i) the negotiated contribution rate as of September 30, 2009 plus (ii) the Target Supplemental Contribution Rate (shown in Column B of Table I), , your benefit will be all contributions except Supplemental Contributions. Your overall benefit accrual rate will be unchanged.

If the bargaining parties agree to make Additional negotiated increases in excess of the sum of (i) and (ii) above, the additional amount will be designated as Basic Contributions that will earn benefit accruals.

***If the bargaining parties have not agreed*** to make contributions effective by January 1, 2010 equal to the sum of (i) and (ii) above, the benefit you earn for each covered hour will be reduced **starting January 1, 2010**. Specifically, in determining the Basic Contributions for covered hours of employment, your employer's total contribution rate will be reduced by 68% of the employer's June 1, 2009 Benchmark Contribution Rate.

This is intended to produce parity between parties that agree to the Target Supplemental Contribution and those that do not. The net effect is that all bargaining parties will make non-

benefit earning Supplemental Contributions that have equivalent value to the Plan's recovery.

**EXAMPLES:**

Assume your employer's June 1, 2009 Benchmark Contribution Rate (Table I, Column A) was \$3.17 per hour and that this is the rate as of September 30, 2009. The Target Supplemental Contribution would be \$0.80 (Table I, Column B). Assume you work 200 covered hours during January 2010. Also, assume that you work at least 401 covered hours in the plan year (as required to earn a benefit for the year).

**Example 1 – Full Supplemental Contribution negotiated**

*If the bargaining parties agree to the sum of (i) the negotiated contribution rate as of September 30, 2009 plus (ii) the full Target Supplemental Contribution Rate of \$0.80, you would earn an additional accrual for covered hours in January 2010 of \$6.34*

- \$3.17 of your employer's hourly contributions would be Basic Employer Contributions
- \$0.80 of your employer's hourly contributions would be Supplemental Contributions and are *not* benefit-earning
- Your accrual of \$6.34 would be determined as follows:

$$(\$3.17 \text{ of "Basic Contributions" X } 200 \text{ hours}) \times 1.0\% = \$6.34$$

**Example 2 – No Supplemental Contribution negotiated**

***If the bargaining parties do not agree to the sum of (i) the negotiated contribution rate as of September 30, 2009 plus (ii) the any Contribution increase, you would earn an additional accrual of \$2.04 for covered hours in January 2010.***

- The Target Supplemental Contribution Rate is \$0.80.
- \$1.02 of your employer's regular Employer Contribution would be included as Basic Contributions (32% of \$3.17)
- \$2.15 would be considered as Supplemental Contributions (\$3.17 minus \$1.02) and *would not be* benefit-earning.
- Your accrual of \$2.04 would be determined as follows:

$$(\$1.02 \times 200 \text{ hours}) \times 1.0\% = \$2.04$$

In effect, your rate of accrual starting January 1, 2010 would be 32% ( $\$2.04 / \$6.34$ ) of the rate at which you would earn benefits if full Target Supplemental Contributions were made.

**The Trustees have asked that Target Supplemental Contributions be in place for all bargaining agreements no later than January 1, 2010.** Beginning with covered hours on and after January 1, 2010, the reductions described above will apply if the Target Supplemental Contribution is not made as described above.

Please contact your bargaining representative regarding the amount of Supplemental Contributions negotiated with your employer.

**Participants reciprocating contributions from other funds**

If you travel outside of the UA 41, 296, or 648 jurisdictions to do work covered by a reciprocal UA pension plan and this is your "home" Plan, contributions for your work will be sent to this Plan. Currently, your hours are credited for eligibility and vesting by dividing the contributions sent to this Plan by the contribution rate for your home local. Benefit accruals are based on this hours equivalency to produce the same result as your reciprocated contributions multiplied by the plan's 1.0% benefit accrual rate.

**A share of your reciprocal contributions will be allocated to Supplemental Contributions beginning January 1, 2010**

The number of hours you are credited for eligibility and vesting will be based on your home local's total contribution rate less the local's Target Supplemental Contribution Rate. Like all

other participants, those who reciprocate contributions to the Fund will be required to make equivalent Supplemental Contributions. Accordingly, the benefit you earn for contributions reciprocated to this Plan starting January 1, 2010 will be reduced as if you were actively working for the local, but no Supplemental Contributions were negotiated (see Example 2 above).

Travelers to our plan that are sending money back to their home locals will not be affected by this change.

### **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 by mail at 575 N. Ralstin, Suite B, Meridian, ID 83642.

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Pension Trust  
LU 296 LU 648 LU 41 IGC

**To:** Participants  
**From:** Board of Trustees  
Idaho Plumbers and Pipefitters Pension Plan  
**Date:** September 14, 2009  
**Subject:** Required Notices Regarding Financial Status of the Plan

We are writing to you at this time in order to update you with respect to the actions undertaken by the Board of Trustees to respond to the impact of the world financial crisis on the Idaho Plumbers and Pipefitters Pension Plan ("Plan"). Attached to this notice are two documents:

- Notice of Possible Future Reduction in Rate of Benefit Accrual
- Annual Funding Notice

## **Notice of Possible Future Reduction in Rate of Benefit Accrual**

The trustees asked the bargaining parties to negotiate by January 1, 2010 Supplemental Contributions of 24% of the pension contribution rate (rounded up to the next 5 cents per hour; "Target Rate") in effect on June 1, 2009. These contributions will not be used for benefit accruals. Further, reductions in future benefits earned will apply to participants covered by certain bargaining units if the parties do not agree to Supplemental Contributions at the Target Rate. This action affects the benefit earned for covered hours of employment on and after January 1, 2010.

## **Annual Funding Notice**

The second document is the Annual Funding Notice for the plan year that began June 1, 2008. Because the required funding ratio disclosures are as of the beginning of the plan year, the most recent ratio pre-dates the dramatic declines in the equity markets that generally occurred later in 2008. Due to a change in the federal pension law made by the Pension Protection Act of 2006, this notice contains different information than annual funding notices that you have received previously. It is also required to be provided substantially earlier in the year than the previous notice. Going forward, you will receive this notice each year by September 28.

## **Additional information**

Please keep these notices together with your important documents concerning the Plan. If you have any questions, please contact the Trust office at 208-288-1610.

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LU 296 LU 648 LU 41 IGC

Date: December 22, 2009

To: Eligible Covered Employees and Beneficiaries, Contributing Employers and Bargaining Parties

Update to September 14, 2009 Notice of Potential Reduction in Future Benefit Accrual Rate

You recently received a Notice of Potential Reduction in Future Benefit Accrual Rate dated September 14, 2009. This update is a follow-up to the Notice. Contact the Administrative Office if you would like another copy of the Notice, at (208) 288-1610 or by mail at 575 N. Ralstin, Suite B, Meridian, ID 83642.

When the September 14, 2009 Notice was distributed, the Trustees did not know whether bargaining parties would decide to make some, or all, of the Target Supplemental Contribution. Since then, the bargaining parties have all decided to make that contribution. Therefore, beginning with work in October 2009, monthly benefits will be computed based on 1% of Basic Contributions. No benefits are earned for Supplemental Contributions. See the Notice, page 4, Example 1. Currently, Basic and Supplemental Contributions are as follows:

	BASIC CONTRIBUTION RATE	SUPPLEMENTAL CONTRIBUTION RATE
Intermountain Gas	\$3.22	\$0.80
Construction Employers – Local 296	\$3.17	\$0.80
Local 648	\$3.55	\$0.90
Montana Construction	\$2.75	\$0.70
Light Commercial Employers-Local 296	\$0.77	\$0.20
Local 296	\$1.54	\$0.40
Local 648	\$2.65	\$0.65

The following replaces the explanation of reciprocal crediting of hours in the Notice at pages 5 and 6.

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Beginning January 1, 2010, if you travel outside of the UA 41, 296, or 648 jurisdictions to do work covered by a reciprocal UA pension plan and this is your "home" Plan, contributions for your work will be sent to this Plan. Your hours are credited by dividing the total contributions sent to this Plan on your behalf by the Construction contribution rate (Basic and Supplemental Contributions combined) for your home local. Your benefit is then computed the same as a member working within the UA 41, 296, or 648 jurisdiction: 1% of your Basic Contribution rate times hours, and nothing for Supplemental Contributions.

Example: You work 100 hours in January 2010 in Las Vegas at a rate of \$7 per hour. \$700 is reciprocated to the Plan. Your home local is Local 296. \$700 divided by \$3.97 (\$3.17 Basic plus \$.80 Supplemental) = 176.32 hours.

Hours credited	176.32 hours
Benefit earned	$\$3.17 \text{ (Basic)} \times 176.32 \text{ (hours)} \times (1\%) = \$5.59 \text{ per month}$

The Plan has other restrictions on earning benefits, e.g., you must work 401 hours in a year to earn a benefit. See the Summary Plan Description for details.