

U.A. LOCAL 350 RETIREMENT PLAN (401(k) Plan)



SUMMARY PLAN DESCRIPTION

[For Members of U.A. Local 350]

MAY 2019

**Keep this Summary Plan Description
For Future Reference**

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U.A. LOCAL 350 RETIREMENT PLAN

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U.A. LOCAL 350 RETIREMENT PLAN

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Dear Participant:

We are pleased to provide this new booklet, known as a Summary Plan Description, for the U. A. Local 350 Retirement Plan ("Plan"). The Plan provides retirement benefits to members of U.A. Local 350 and others working under a collective bargaining agreement with U.A. Local 350. The Plan was established as of January 1, 1981, and has been amended several times since that date, including having been restated effective as of January 1, 2015. This booklet covers the Plan amendments through March 31, 2019.

This booklet summarizes the key provisions of the Plan and describes how you earn benefits, when you may commence receiving your benefits and the choices you have when your benefits are paid to you. The formal text of the Plan controls eligibility, benefit payments, and other aspects of the Plan. **In the event of any ambiguity or conflict between this booklet and the Plan, the Plan will govern.**

You should read this booklet carefully. If you are married you should discuss the Plan's benefits, options and other rules with your spouse.

Over the years you may accumulate substantial funds to which you or your named beneficiary may be entitled. Please submit a completed beneficiary form to the Plan and notify the Plan of any address changes.

KEEP THIS BOOKLET FOR FUTURE REFERENCE

Only the Board of Trustees is authorized to interpret the Plan described in this booklet. The Board of Trustees has the full discretionary authority to determine eligibility for benefits, claims and appeals and to construe and interpret the Plan and related documents, and any rules.

If you have any questions about the Plan or desire additional information, please write the Plan Office at the above address. Or phone 775-826-7200.

Sincerely,

Board of Trustees

IMPORTANT NOTICES

LIMITATION UPON RELIANCE ON BOOKLET AND STATEMENTS

This booklet provides a brief, general summary of the Plan rules. It is not intended to cover all the details of the Plan. Nothing in this Summary Plan Description is meant to interpret or change the Plan provisions. You should review the Plan to fully determine your rights. The Plan is available for your review at the Plan Office upon written request.

You are not entitled to rely upon oral statements of representatives of the Plan Office, Trustees, an Employer, any union officer, or any other person. If you wish an interpretation of the Plan, you should address your request in writing to the Board of Trustees at the Plan Office. To make its decision, the Board of Trustees must be furnished with full and accurate information concerning your situation. **As a courtesy to you, the Plan Office may respond orally to questions; however, oral information and answers are not binding upon the Plan and cannot be relied upon in any dispute concerning your benefits and/or the Plan.**

You should further understand that, from time to time, there may be an error in a statement, letter or other communication that you receive which may be corrected upon an audit or review. The Board of Trustees reserves the right to make corrections whenever any error is discovered.

CAUTION: FUTURE PLAN AMENDMENTS

Future amendments to the Plan may have to be made from time to time to comply with Congressional action, rulings by federal agencies, and/or courts and other changes deemed necessary or prudent by the Board of Trustees. You will be notified when important amendments to the Plan are made. Before you decide to retire, you should contact the Plan Office to determine if there have been Plan changes or other developments that may affect your retirement benefits.

CONSULT WITH TAX ADVISOR

The Plan Office does not provide tax advice or suggest how you should receive your benefits. **You should discuss with a tax advisor the tax consequences of any withdrawal of funds or selection of a benefit option.**

ONE YEAR TO FILE A LAWSUIT

If a claim for benefits has been denied and you filed an appeal which is also denied, or you have a different type of adverse determination, you have one year from the date of the denial of the appeal or the adverse determination to file a lawsuit seeking to overturn the appeal and/or adverse determination. **Failure to do so means that you will not be able to file your lawsuit.**

I. TYPE OF PENSION PLAN

The Plan is an Individual Account Plan in which Participants are 100% vested (subject to the Plan's expenses and investment losses). The Plan is a multi-Employer, collectively bargained defined contribution pension plan in which Employer contributions are invested for your benefit. Benefits are payable on or at retirement (after age 62), disability and in limited situations and amounts, upon termination of employment after age 55 (early retirement). Effective as of January 1, 2018, the Plan has a 401(k) deferral option, as explained in more detail below.

Under the Plan you will have an Individual Account in your name comprised of Employer contributions and investment earnings. Thus, the amount of your retirement benefits will depend upon the amount of Employer contributions made on your behalf, the Plan's investment earnings (or losses) and expenses, and the benefit payment option selected.

The Plan is intended to be a Participant-directed Plan as described in Section 404(c) of ERISA, which means that fiduciaries of the Plan are ordinarily relieved of liability for any losses that are the direct and necessary result of investment instructions given to the Plan by a Participant or beneficiary.

The Plan is governed by a federal law known as the Employee Retirement Income Security Act as amended ("ERISA"). The Plan is not, however, insured under ERISA's Pension Benefit Guaranty Corporation, which applies only to defined benefit pension plans. **Thus, there is no federal guarantee if the market value of your Individual Account decreases in value.**

IMPORTANT POINTS ABOUT YOUR 401(K) PLAN **(Questions and Answers)**

The Board of Trustees of the U.A. Local 350 Retirement Plan ("Plan") amended the Plan to establish a 401(k) option for the Plan effective as of January 1, 2018. Under the 401(k) option, you may elect to defer a portion of your wages to the 401(k) Plan. There are certain limits and rules established by Congress and the Internal Revenue Service ("IRS") that the Plan (and you) must follow as summarized below.

1. **How Often Can Deferral Elections be Made and how much can be deferred?**
Semi-annual elections are permitted. The next election is as of July 1, 2019. You may elect a specific amount that you wish deferred to the 401(k) Plan. Those amounts are: \$1.00, \$2.00, \$3.00, \$4.00, \$5.00, \$6.00, \$7.00 and \$8.00 an hour (subject to the maximum limits summarized in number 2 below). The election that you made as part of the first enrollment period will remain in place until the next election period (and continue unless changed). Any deferral amounts are in addition to any "Mandatory" Employer Contribution provided in a current or future Collective Bargaining Agreement.
2. **What is the Maximum Amount that can be deferred to the 401(k) Plan? \$19,000 and \$25,000 for 2019.** Pursuant to IRS guidelines, the maximum amount that you may defer out of your wages to a 401(k) Plan during 2019 is \$19,000 each calendar year; however, for Employees who are age 50 or older, the IRS permits an additional catch-up contribution of \$6,000 each year. Thus, the maximum amount that a person age 50 or older can defer is \$25,000. These limits should not be an issue unless you work a great number of hours and you have elected the highest deferral category. The IRS evaluates these limits each year and periodically has

increased these amounts. If you defer more than the above limits during a calendar year, the Plan will make a refund to you and issue an IRS Form 1099R form showing that the refund is taxable income to you. You are urged to monitor the amounts deferred to the 401(k) Plan each year to avoid exceeding the IRS-mandated limits. In addition, the Trustees have an obligation to monitor the deferrals to the 401(k) Plan to ensure that the Plan does not discriminate in favor of highly compensated Participants (those earning \$125,000 or more in 2019—that amount will increase in future years). That would occur if the elective deferrals for highly compensated individuals exceed the amounts deferred by non-highly compensated Participants by specified amounts as determined by IRS guidelines. If that does occur, the Plan will issue a refund of the excess deferrals and issue an IRS Form 1099 R showing that the refund is taxable income to the impacted Participants. That refund would be made by April 15 of the following year.

3. **Are FICA/FUTA and Other Amounts Withheld from Deferrals?** Yes. Pursuant to IRS guidelines, amounts deferred by an Employee to a 401(k) Plan are subject to Social Security and Medicare withholdings (“FICA”) and Federal Unemployment (“FUTA”) taxes (as well as state disability). As a result, these withholdings will be deducted by your Employer from the deferral amounts. Such withholdings are NOT deducted from Employer mandatory contributions. But, you do not pay federal tax on such amounts, until you take a distribution from the Plan.
4. **Are the Investment Options impacted?** No, the investment options remain the same. Your Plan assets continue to be invested in the same manner as in the past. While your future statements will show both a 401(k) balance and a Defined Contribution balance, the funds will be invested together.
5. **When I retire, can I withdraw a portion of my Plan Benefits?** Yes. When you retire, you may take a partial distribution of your Individual Account balance. Or you may withdraw the entire amount. You may withdraw your 401(k) benefits in part or in whole. There is no requirement that you withdraw all of your Account.
6. **May I rollover an Individual Account Balance from another qualified defined contribution plan to this Plan?** Yes. If you have an Individual Account with another qualified defined contribution pension or profit sharing plan, you may rollover that balance to this Plan (except you may not rollover a balance in a Roth Account).

II. ADMINISTRATION OF THE PLAN/INVESTMENTS

A. Administration.

The Plan is administered by a Board of Trustees comprised of eight Trustees, plus alternate Trustees. One-half of the Trustees, called "Employer Trustees," are selected by the Nevada Association of Mechanical Contractors, Inc. and one half of the Trustees, called "Union Trustees," are selected by U.A. Local 350. The current Trustees are listed on page iv of this booklet.

The Board of Trustees has many powers and functions including without limitation, investing the Plan's assets, interpreting Plan provisions, amending the Plan, deciding policy questions, and appointing advisors and consultants, such as an auditor, legal counsel and investment consultant. The Board of Trustees has delegated the day-to-day administration of the Plan to Benefit Plan Administrators, Inc., a professional plan administrative firm, located in Reno, Nevada.

Only the Board of Trustees and its authorized representatives are authorized to interpret the Plan of benefits described in this booklet. No one else can interpret this Plan or act as an agent for the Board of Trustees – this includes individual Trustees, Employers, unions and their representatives. The Board of Trustees (and persons or entities appointed or so designated by the Board) has the full discretionary authority to determine eligibility for benefits and to construe the terms of the Plan (and other documents pertaining to the Plan and Trust) and any rules adopted by the Trustees. Any questions you have about the Plan should be directed in writing to the Plan at 445 Apple Street, Suite 109, Reno, NV 89502.

The Plan is intended to be a Participant-directed Plan as described in Section 404(c) of ERISA, which means that fiduciaries of the Plan are ordinarily relieved of liability for any losses that are the direct and necessary result of investment instructions given by a Participant or beneficiary.

A certified public accounting firm audits the Plan's assets annually.

B. Investments

1. Pooled Investment. Your Individual Account is pooled with amounts in other Individual Accounts for investment purposes. Alternatively, you may choose to self-direct your investments in the manner summarized below.

2. Directed Investment Program. Rather than participate in the pooled investment program, you may choose to participate in the Plan's Directed Investment Program. You may make your own investment decisions related to the allocation of your account balance among the different investment options offered within the Plan (set forth on the next page). The Board of Trustees selects the investment options based on the following primary objectives. You will be provided with the right to elect to transfer your Existing Account balances between investment options and/or new contributions and deferrals. The amount of the transfer cannot be greater than balance on most recent quarterly statement. On the next page is a Sample Form that would be completed when you participate in the Directed Investment Program (ALERT: The specific Mutual Funds listed may change in the future.)

NEW EMPLOYER CONTRIBUTION INCOME ALLOCATION BETWEEN INVESTMENT OPTIONS

Champlain Mid Cap Fund	_____	%
Dodge & Cox Stock (Large Value Stock)	_____	%
Vanguard 500 Index (Large Blend Stock)	_____	%
Vanguard STAR (Balanced Fund)	_____	%
Morley Stable Value Fund	_____	%
Dodge & Cox International Fund	_____	%
Vanguard REIT Index Fund	_____	%
Vanguard Total Bond Market Index Fund	_____	%
Growth Fund of America	_____	%
American Beacon Small Cap Value Fund	_____	%
Dodge & Cox Income Fund	_____	%
Total		100%
(Total of all elections must equal 100%)		

Participant's Signature: _____ Date: _____

To validate your designation, you as the Participant, must sign and date this Form.

CONFIRMATION

A copy of this form signed by the Fund Manager is your confirmation that your investment elections will become effective on the first of the month provided the form is received by the Fund Office by the 20th of the previous month.

Effective Date of Transfer _____

Fund Manager _____ Date _____

I certify that I have either attended an investment education class and/or received, read and understood the investment literature regarding my investment options. I understand that I am not required to enroll for, or make, an investment election. I certify that I have not relied upon any action of the Board of Trustees, any individual Trustee, Fund Manager or Trust Fund office representatives in enrolling for, or making, this investment election. **I certify that I am solely responsible for this investment election and I release the Board of Trustees, each individual Trustee, Fund Manager or Trust Fund office representative from any and all liability for my investment election.**

It is important to realize that although two investment funds may have the same or similar investment objective, they are not the same. They may use different strategies to achieve their objective and, as a result, may involve different degrees of risk. They may own different securities in different amounts. Before you invest in any fund, be sure you evaluate it thoroughly by reading any available prospectus and related materials carefully. The funds are valued monthly. As noted above, because the Plan is known as a 404(c) Plan, the Plan is relieved of liability for investment selections that you make. Thus, you should give serious consideration to the amount of risk you are willing to take and the investment choices that you make.

NO INVESTMENT ADVICE

While the Retirement Fund makes investment options available to Plan Participants, it cannot provide you with investment advice. Each individual Participant's financial situation and planning differs. You should read each investment option's prospectus carefully and contact a professional financial advisor if you require further information or guidance. Prospectuses are available on-line from the various mutual funds.

a. **You may Change Options Each Month if you wish.** You may change selections each month if you wish by filing the appropriate form with the Plan Office. The changes must be received by the 20th day of the month preceding the end of the month to be effective the first day of the following month.

b. **Investment Options.** Each Participant has the ability to make his own investment decisions related to the allocation of his account balances among the different investment options offered within the Plan. The current options are listed on the prior page (but which are subject to change in the future).

CAREFULLY CONSIDER THE INVESTMENT OPTIONS

Before investing in any investment option, please carefully consider the investment objective, risks, charges and expenses. Most investments carry some degree of risk. For example, equity mutual fund investments (also known as "stocks") are subject to market fluctuations. Investing outside the United States (especially in developing countries) involves certain risks, such as currency fluctuations. The return of principal in bond funds and in a fund's bond holdings is not guaranteed, as bonds are subject to interest rate, inflation and credit risks. Diversification does not eliminate risk; losses are possible in diversified portfolios. Investments are not FDIC-insured nor are they guaranteed by a bank or any other entity, so investors may lose money.

III. PARTICIPATION AND VESTING

A. Participation

If you are employed by an Employer that is required by a collective bargaining agreement with U.A. Local 350 to make contributions to the Plan on your behalf, you become a Plan Participant as of the date a contribution is first received by the Plan Office on your behalf.

Certain full-time employees of the Union, the Joint Apprenticeship Trust and other entities are also allowed to participate in the Plan under rules approved by the Board of Trustees. There is no requirement that an employee work a minimum number of hours nor is there an age limitation or requirement for participation in the Plan. Contributions cease, however, upon a Participant's termination of Covered Employment.

B. Reciprocity/Plumbers and Pipefitters National Reciprocity Agreement

If you work under a collective bargaining agreement in the jurisdiction of another U.A. Local Union, your Employer's contributions under that agreement will be made on your behalf to that Local Union's pension fund. This Plan is signatory, however, to the Plumbers and Pipefitters National Reciprocity Agreement, which provides for the transfer of the Employer contributions made on your behalf from the other Plan in the jurisdiction where you are working to this Plan. You should contact the Plan Office to determine whether the other Plan is signatory to the Plumbers and Pipefitters National Reciprocity Agreement. The same principle applies to members of other Local Unions working in the jurisdiction of U.A. Local 350 (the funds are transferred back to your Home Local Union Pension Fund).

C. Vesting

You are 100% vested in your Individual Account subject to any Plan expenses and any decrease in the value of the Plan's assets (such as investment losses).

Investment Losses Could Cause your Pension Value to Decrease. It is possible that your pension benefits may decrease because the value of your Individual Account depends upon the Plan's investment yields and the Plan's expenses.

Small Accounts—Value Could be Eliminated/Other Reasons Benefits Could be Delayed. If you have a small account balance, your Individual Account could reach a zero balance over time if you only work a few hours a year, or you do not work and your share of Plan expenses exceeds the total of the contributions paid on your behalf and your share of Plan earnings. (See also Section XI beginning on page 18 of this booklet for a summary of some of the circumstances which might cause a reduction, loss or delay in the payment of your benefits.)

IV. EARNING BENEFITS-EMPLOYER CONTRIBUTIONS

Your pension benefit is funded by Employer contributions made on your behalf pursuant to collective bargaining agreements with U.A. Local 350. The contribution rates for each hour of your employment are set, from time to time, by the parties to such agreements. The current Employer contribution rate may vary depending upon the classification that you are working in under the Collective Bargaining Agreement. You should contact U.A. Local 350 for information on these classifications. For example, Employers may contribute a lower amount an hour to the Retirement Plan for each hour worked in Covered Employment by an apprentice. Moreover, the contribution rates could change in the future. The Employer contributions to the Plan are not subject to withholding for FICA, FUTA or state or federal taxes. (But, the amounts that you elect to defer to the 401(k) Plan are subject to FICA and FUTA.)

Your Employer is required to make contributions for your hours of work by the 15th day of the month following the month in which your hours of work were performed. Your Employer forwards to the Plan Office a transmittal form that contains the name and hours of work performed by each Covered Employee together with a payment to the Trust. The Plan Office credits your Individual Account with the amount of contributions made on your behalf.

ALERT: IF YOU BELIEVE YOUR EMPLOYER IS NOT CONTRIBUTING THE FULL AMOUNT TO THE PLAN

You **should notify the Union and the Plan Office immediately** if you are aware or suspect that your Employer has not contributed to the Plan on your behalf the full amount required under your collective bargaining agreement. If you fail to do so, your Individual Account may not be credited with the correct or full amount or there may be delays in the crediting of such amounts, resulting in lost earnings. **Contact Benefit Plan Administrators, Inc. at (775) 826-7200 if you have concerns or questions.**

The Plan Office reviews your Employer's transmittal report for mathematical accuracy and notifies the Employer if there is an error in the Employer's contributions which requires correction. Employer payments are transmitted to the custodial bank which allocates sums contributed to this Plan. Each month the Plan Office makes the necessary computer entries reflecting the contributions made on your behalf.

The amount of Employer contributions made to the Plan for non-bargaining unit employees will be governed by individual Subscription Agreements entered with the Plan and any rules adopted by the Board of Trustees.

V. YOUR INDIVIDUAL ACCOUNT

A. Valuation, Earnings, Expenses and Periodic Statements

1. **Monthly Valuation.** The value of your Individual Account is based on the amount of Employer contributions made to the Plan on your behalf and your earnings (which includes any asset appreciation), minus your share of the Plan's expenses and any asset depreciation. The Plan is valued each month. For example, the June 30, 2019 valuation will be followed by a July 31, 2019 valuation and so forth for each month (last work day of each month). Participants may make changes in their investment options each month if they wish. The Plan issues quarterly statements.

The amount of any transfer between investment options cannot be greater than the amount shown on the Participant's most recent quarterly statement. Moreover, if the balance in a Participant's Account is less than the value at the end of the most recent quarterly statement, the lower amount will be transferred (rather than the amount on the statement). By way of example, if a Participant wishes to transfer \$50,000 to another investment option but the value of the assets has since decreased to \$43,000, only the \$43,000 will be transferred.

2. **Earnings.** Because the amount in your account at retirement depends upon unforeseeable future earnings and expenses, the Plan cannot guarantee that a certain or fixed amount will be available in your account at retirement.

3. **Expenses.** The Plan incurs expenses for administration, record keeping, postage, data processing, printing, investment consulting, legal, auditing and other services which are paid on an ongoing basis from the Plan's assets. Your Individual Account is assessed your share of these Plan expenses. Plan expenses are charged on a per account basis (rather than on a pro rata basis). The Trustees are authorized to establish a monthly fee to be charged against each Account

based on the Plan's expenses (and anticipated expenses). The Board of Trustees has total and absolute discretion in making the determination of the fee amount and the process for assessing the fee. The monthly fee is \$15.00 per account (if you elect to participate in the 401(k) Plan, an additional \$15.00 monthly fee will be charged to that account), which is reduced from the largest mutual fund balance in the Participant's account. That same method of assessing expenses will occur each month (although the amount of the fee could be changed in the future). Certain expenses attributable to one individual, such as in a divorce, may be assessed against that Participant's Individual Account.

4. **The Plan Accepts Rollovers.** The U.A. Local 350 Retirement Plan accepts rollovers from other eligible retirement plans. If you have other retirement plan accounts, you may be able to transfer your balances directly into the U.A. Local 350 Retirement Plan account. Specifically, you may roll over amounts from the following sources to this Plan:

- qualified employee 401K or other pension plans;
- 403(a) and 403(b) annuity plans;
- government plans (Code Section 457 plans);
- Individual Retirement Accounts (previously rolled over from a qualified retirement plan).

Consolidating your accounts may make your retirement benefits easier to manage, while retaining the tax advantages you currently enjoy. If you elect to rollover funds to this Plan, you should contact the Plan Office at (775) 826-7200 for rollover details and assistance with the rollover and process questions. Keep in mind that fees may apply when closing and consolidating accounts with other entities/Plans. Moreover, this Plan does not permit a distribution of such rolled over amounts unless the Participant is otherwise eligible for a distribution (such as being retired).

Periodic Statements. The Plan Office furnishes you with a statement showing your benefits as of the end of the most recent quarter, which includes the Employer contributions made on your behalf and your share of the Plan's earnings and expenses.

A L E R T: If You Find Errors in Your Information or Statement.

**If you find errors in your statement you should notify the Plan Office immediately.
If you notice any errors in your hours, contributions or otherwise or you have any questions regarding your statements, you should notify the Plan Office immediately.**

B. **Benefits for Certain Military Service**

Pursuant to various military veterans' laws including the Veterans' Reemployment Rights Act and USERRA (Uniformed Service Employment and Reemployment Rights, Act), an authorized leave of absence due to certain military service in the United States Armed Forces is considered Covered Employment provided that you comply with the requirements of applicable federal law, the Plan and any rules established by the Board of Trustees. **This Plan provides benefits only for military service for which the Plan is required to provide under applicable federal law.**

To be entitled to such benefits, you must have been working as a Covered Employee during the 90 days prior to your commencement in the Armed Forces, have returned to work as a Covered Employee within the time required by federal law following your discharge from the Armed Forces, have been honorably discharged, and served no more than five years in such military service. The Board of Trustees has the absolute discretion to determine whether you meet the military service requirements and may require that you certify periods of employment if the Plan is unable to determine your beginning and ending dates of employment.

USERRA applies to persons who perform duty, voluntarily or involuntarily, in the "uniformed services." These services include the Army, Navy, Marine Corps, Air Force, Coast Guard, and Public Health Service Commissioned Corps. Federal training or service in the Army National Guard and Air National Guard also provide rights under USERRA. Uniformed service includes active duty, active duty for training (such as drills), and initial active duty training.

In determining your Employer contributions for the period you were in such military service, the Plan will calculate the Employer contributions that were made to the Plan on your behalf based on the average of the contributions made on your behalf during the Plan Year immediately preceding the date you commenced such service, or if greater, by using the Plan Year in which you entered the Armed Services. Such amounts shall be considered an expense of the Plan to be shared among the Participants.

C. **IRS Contribution Limits**

Congress has established annual limits on Employer contributions that could apply to your Individual Account. The amount of contributions that can be allocated to your Account for any Plan Year is limited by law to the lesser of 100% of your Compensation or the annual IRS-established dollar limit, which is \$56,000 for the Plan Year 2019, and which will thereafter be the amount set annually by law, adjusted periodically to account for inflation. This limitation does not apply to the amount of earnings that can be allocated to your Account, to the amount of any Rollover Contributions you may make to the Plan, or to any other funds transferred to this Plan on your behalf from another qualified plan. Although it is anticipated that these rules should not affect your benefits, they are contained in the Plan because of IRS requirements.

VI. APPLICATION AND ELIGIBILITY FOR BENEFITS

A. **Eligibility to Receive Your Benefits**

To receive your benefits (once you are eligible), you should contact the Plan Office to confirm your eligibility for a distribution. To avoid delays, you should submit:

- your intended retirement date or benefit commencement date;
- proof of age (your birth certificate), and that of your spouse if you are married (if you desire a joint and survivor annuity form of benefit);
- your social security number, and if married, your spouse's social security number;
- proof of marriage, if applicable (marriage certificate);
- Court-approved copy of any marital Final Judgment in your divorce action, including any settlement agreement and/or other pertinent divorce papers.

If you will be receiving a monthly pension benefit from the Plan, your pension is effective the first day of the month following the date you file your completed pension application and you are eligible to receive your benefits. Benefit payments are prepared effective as the first day of each month. Benefits are paid as soon as it is administratively feasible after all contributions are received and your application is processed. Thus, filing a timely application is important.

If you are eligible for a lump sum distribution of a portion or all your Individual Account, the Plan Office will determine your liquidation date and the amount of your benefit. In most instances, your benefit payment will be issued within 30 days.

B. Reasons for Distribution of Your Benefits/Eligibility for Benefits

To be entitled to receive your Plan benefits you must **terminate your employment in the Pipe Trades Industry and satisfy one of the following requirements:**

1. **Normal Retirement—Attain Age 62.** You attain age 62, the Plan’s Normal Retirement Age.

2. **Early Retirement Benefit at Age 55.** You attain age fifty-five (55) or older.

Prohibition of Pipe Trades Industry Employment. To be entitled to the early retirement benefit, you must cease and refrain from work in employment for wages or profit in the Pipe Trades industry. There is an exception, however, for work in the Pipe Trades industry for an Employer that has a current collective bargaining agreement with a different U.A Local Union, so long as such work is covered under the applicable bargaining agreement. Such employment may be with one of the Employers for whom the Pensioner worked while in the U.A. Local 350’s jurisdiction but only if the Pensioner proves that there was a termination of employment consistent with the requirement of the Internal Revenue Code and lawful regulations.

Board Interpretation of Pipe Trades Industry Work. “Pipe Trades Industry” means all branches of the trade or craft and includes work of any kind for any Employer performing work in the plumbing and pipefitting industry (known as “prohibited employment”), whether as an employee, supervisor, sole proprietor, member of an unincorporated firm, officer or employee of a corporation, or any other capacity.

Such work includes limitation, hours for which you receive compensation whether for actual work, illness, incapacity, layoff, military duty or leave of absence. Such work also includes employment in which a salary is paid, employment in which you are considered an independent contractor, employment in which you will be entitled to a deferred benefit, or employment in which you receive anything of value in exchange for the services rendered. Such work also includes self-employment or being an Employer.

3 **Retire under Plumbers and Pipefitters National Pension Plan.** You retire under the Plumbers and Pipefitters National Pension Fund.

4. **Termination of Employment—24 Consecutive Months.** Regardless of age, you meet the following requirements: (a) You had no Employer contributions made or required to be made to your Individual Account during the preceding 24 months and (b) You have not been

employed in any capacity by a contributing Employer or other Employer in the Plumbing and Pipefitting Industry within the Northern Nevada or Northern California area in the 24 months preceding your application for withdrawal of your Individual Account

5. **Small Account Balance (Under \$7,500)-No Work in Two Months.** You have been terminated from Covered Employment and have had no Employer contributions made on your behalf for two consecutive months and your Individual Account balance is equal to or less than \$7,500. You would have to confirm that you are not working in the Plumbing and Pipefitting Industry and have no intention of doing so.

6. **Permanent and Total Disability.** The Board will accept as evidence of total and permanent disability an award of Social Security Disability Benefits.

7. **Age 70 ½.** If you are no longer working in Covered Employment, you are required under IRS requirements to commence receiving a minimum required amount from your Individual Account once you attain age 70 ½. (Five percent owners are required to commence taking a distribution even if they are still working.) If you fail to file your pension application, the Plan has the right to commence making a distribution to you.

8. **Participants Who Become Contributing Employers.** If a Participant becomes an Employer or a principal of an incorporated Employer in the Pipe Trades Industry and that Employer has made contributions to this Plan on behalf of Covered Employees for at least twelve consecutive months, the Participant is entitled to receive a lump sum distribution of his or her interest in the Plan, subject to the Plan's spousal consent requirements and other applicable Internal Revenue Code requirements.

9. **Death.** Benefits are payable to your designated beneficiary upon your death (except that certain spousal consent rules apply if you are married and you desire to designate a person other than your spouse to be the beneficiary).

WARNING – POTENTIAL ADVERSE TAX CONSEQUENCES
(Pre-Age 55 Distribution-Potential Tax Penalties)

Under the Internal Revenue Code, if you begin receiving your benefits from the Plan upon termination of employment before age 55, to avoid paying a penalty to the Internal Revenue Service (and the State of California, if applicable), your pension payments will have to be paid in a series of substantially equal periodic payments over your lifetime or the joint lives of you and a beneficiary, unless you meet the definition of disability or other exceptions in the Code, or you roll over the benefits to an IRA or other qualified Employer pension plan.

VII. PAYMENT OF BENEFITS

A. Normal Forms of Benefit

1. **Joint & Survivor Annuity.** For a married Participant, ERISA requires that the Plan's normal form of retirement and disability benefit is a Joint and 50% Survivor Annuity (unless your Individual Account balance is \$5,000 or less). The Joint and Survivor Annuity provides a reduced lifetime pension, and after your death, a lifetime pension for your surviving spouse equal to one-half the monthly pension amount paid to you. If you select a Joint and Survivor Annuity benefit, the Plan will use your Individual Account balance to facilitate the purchase of an annuity from an insurance company or other entity at then current market rates or otherwise provide you with such a benefit. Monthly payments made directly from the Plan to you or your spouse will terminate when your Individual Account balance reaches zero if you and/or your spouse live longer than the ages projected under applicable tables. With the consent of your spouse you may waive the Joint and Survivor Annuity and select one of the benefit options described in Section B below.

2. **Spousal Waiver/Beneficiary Designation.** Pursuant to federal law, if you are married, you are not permitted to designate a beneficiary other than your spouse without your spouse's written consent. Moreover, if you are married, your spouse's election to select a benefit other than the Joint and Survivor Annuity is effective only if your spouse provides written consent to such election, such consent is witnessed by a Plan representative or notary public and a beneficiary is designated with the spouse's consent. Neither the beneficiary nor the form of payment can be changed without spousal consent. If you subsequently desire to revoke such beneficiary designation and choose another non-spouse beneficiary, your lawful spouse must consent to such revocation and alternative beneficiary selection.

If you retire on a Joint and Survivor Annuity and subsequently divorce your spouse, your pension will not be increased to the level you would have received had this coverage not been provided. In most instances (i.e. unless a court order provides otherwise), your former spouse will continue to be entitled to his or her portion of your pension. Moreover, if you subsequently remarry, you may not transfer your former spouse's benefit to your new spouse.

3. **Single Life Annuity Single Participant.** Under federal law the normal form of benefit for a single Participant is a single life annuity, which is a series of monthly pension payments intending to extend for the balance of your life. A married Participant, with spousal consent, also may select this form of benefit. If you choose this option the Plan will use your Individual Account balance to facilitate the purchase of an annuity from an insurance company or other entity at then current market rates, or determine your monthly benefit based on standard life expectancy tables as required under applicable law. Regardless, monthly payments made directly from the Plan will terminate when your Individual Account balance reaches zero if you live longer than the age projected under the life expectancy tables.

B. Other Benefit Options

The Plan contains the following benefit options that you may elect in lieu of the Joint and Survivor or Life Annuity once you are entitled to commence receiving your benefits, subject to the Plan's spousal consent requirements:

1. **Lump Sum Payment/Rollover.** You may choose a lump sum distribution of your entire Individual Account balance, including a rollover to another qualified Plan or IRA.

2. **Partial Lump Sum Distributions Permitted.** Provide a partial lump sum distribution of any amount or a full lump sum equal to the value of his or her Individual Account (based on the previous month's balance) with a limit of one withdrawal on a quarterly basis and only for Participants who are retired and age 55 or over, or for a person with no contributions for 24 consecutive months who is not working in the plumbing and pipefitting industry in Northern Nevada and Northern California.

3. **Joint and 75% Survivor Annuity.** This benefit form pays to the designated beneficiary 75% of the amount payable to the Pensioner. The Plan would use your Individual Account to purchase a joint and 75% Survivor Annuity through an insurance company or other entity. The Joint and Survivor Annuity extends protection over two lifetimes. The monthly amount of pension payable to you and your spouse under the Joint and Survivor Annuity is based on the life expectancy of you and your spouse. Benefit levels are adjusted accordingly. During your lifetime, you will receive monthly benefits at a lower level than you would with the Life Annuity form. Moreover, if your spouse is much younger than you, benefits will be reduced more than if you were close to the same age or if your spouse is older than you. The reason is that statistically, the younger spouse is likely to receive benefits over a longer period of time.

A L E R T

YOU MUST RECEIVE A MANDATORY DISTRIBUTION AT AGE 70 ½

Pursuant to Internal Revenue Code requirements, by April 1 of the year following the date you attain age 70 ½, your monthly benefit may have to be increased to ensure that the payment period for your pension does not exceed your life expectancy or the joint life expectancies of you and a designated beneficiary. See Article X on page 20 of this booklet.

C. **Reasons to Consider Retaining Funds in The Retirement Plan**

The Trustees of the U.A. Local 350 Retirement Plan are proud of the manner in which the Plan is operated, including as one of their goals, keeping expenses to a minimum. If you are close to retirement, it is important that you are aware that you may keep your funds in the Plan. Moreover, as explained below, there is flexibility with respect to partial withdrawals and other Plan rules. Please consider the following:

1. **Investment Expertise/Positive Investment Returns.** The Retirement Plan's investment returns have been positive over the years. If you keep your funds in the Plan after retirement, you continue to have the benefit of the investment advice provided by the Plan's Investment Consultant. The Plan's investments are monitored and are reviewed regularly to ensure that the respective investment objectives are being met over both short and long-term periods.

2. **Plan's Costs Are Reasonable.** While there are costs charged to his or her Individual Account in the Plan, the cost assessed is reasonable compared to other Plans and/or institutions. The Trustees review the Plan's expenses regularly for reasonableness.

3. **Monthly Valuation of Your Retirement Funds.** The Plan is valued each month.

4. **Flexibility on Distributions/Partial Payments Permitted.** The Plan permits Participants who have retired or terminated their employment to take partial distributions or monthly payments of their Account balance upon reaching age 60 rather than withdrawing the full balance. Thus, you may keep your Individual Account balance with the Plan and request partial withdrawals from the Plan.

5. **Distributions Made Within 60 Days.** The Plan is operated efficiently and as a result, distributions are made within 60 days after a completed application is received.

6. **Investment Options.** The Plan provides a variety of investment options for Plan Participants ranging from conservative to aggressive. You may choose how aggressive you desire to be among the different investment options offered in the Plan.

7. **Personal Attention.** The Plan's Trustees remain committed to acting in your best interest after you retire. They share your concerns and interests. At least half of the Trustees are U.A. Local 350 members. Moreover, the advisors to the Retirement Plan, such as the Fund Manager (Benefit Plan Administrators, Inc.), the Investment Consultant (Andco) and legal counsel (Neyhart, Anderson, Flynn & Grosboll) are committed to the labor movement and helping union members in their retirement. You have access to those individuals if you wish.

VIII. IRS AND OTHER DISTRIBUTION RULES/DIVORCE ORDERS (ODROS)

A. IRS Required Distributions

Under the Internal Revenue Code, the Plan must commence paying your benefits no later than April 1 following the year you attain age 70 ½ or the date you retire, whichever is later. This is known as your Required Minimum Distribution or "RMD". Although you may take your first RMD by the end of the calendar year in which you turn 70 ½, you can delay taking that first distribution until April 1 of the year following the year in which you turn 70 ½. If you choose to delay the first RMD, you will have to take two distributions in that same year (the second one by December 31). Consequently, you will want to compare the advantage of leaving the money in your account with the tax consequences of taking two distributions in one year. All subsequent RMDs must be taken by December 31 of each year.

A Participant who attains age 70 ½ may elect to receive his or her benefits regardless of whether he retires. Upon attainment of age 70 ½, the Plan must, if you are receiving periodic or specified monthly payments, ensure that your payments are paid over a period that does not exceed your life expectancy or the life expectancy of you and a designated beneficiary. Your RMD is calculated each year according to IRS guidelines. If you take only your RMD, the remaining part of your Individual Account balance can remain in the Plan and continue to be tax-deferred. You can take more than the minimum. **Not taking the RMD, however, will result in a significant penalty.** (If you own five percent or more of a contributing Employer, the Plan will be required by IRS

rules to commence paying your benefit at age 70 ½ even if you are still working.) The Plan has the right to make a distribution to you even if you fail to file a pension application in order to comply with IRS requirements.

Federal income tax withholding on lump sum distributions applies at the rate of 20%. Certain states may also require withholding. You will owe income tax on the distribution. You cannot roll the RMD portion of your pension into an IRA or retirement plan.

WARNING—POTENTIAL IRS PENALTY ASSESSED AGAINST YOU

(If your benefits are not paid at Age 70 ½)

The IRS assesses a severe penalty against you if you do not begin receiving your pension benefits by April 1 of the year following the date you attain age 70 ½ or the date you retire, whichever is later. If you are a 5 percent owner, you must begin receiving your benefits at age 70 ½ even if you are still working.

B. Internal Revenue Code Distribution Rules

Pursuant to the Internal Revenue Code, the Plan contains certain other benefit distribution rules. First, if you die after payment of your Individual Account has commenced and a portion of your Individual Account remains to be paid, the payments to your beneficiary must be made at least as rapidly as provided in the form of payment being made at the time of your death.

Second, if your death occurs before distribution of your Individual Account has begun, distribution of your Individual Account must be completed by December 31 of the calendar year containing the fifth anniversary of your death. If, however, your benefits are payable to a designated beneficiary, the distribution may be made over the life (or life expectancy) of the designated beneficiary, but payments must commence on or before December 31 of the year immediately following the year in which you died. If your spouse is the beneficiary, however, he or she does not have to commence receiving benefits until the April 1 following the year you would have attained age 70 ½.

C. Your Benefits Cannot be Assigned in Most Situations (IRS Levy or QDRO)

Your creditors cannot garnish or levy upon your Individual Account except for a proper Internal Revenue Service tax levy. In addition, you cannot assign or pledge your Account except as collateral for a Participant loan from the Plan or as directed through a Qualified Domestic Relations Order (QDRO) as part of a divorce, child support or similar proceeding in which a court orders that all or part of your Account be transferred to another person (such as your ex-spouse or your children). The Plan has procedures for processing QDROs, which you can obtain free of charge from the Plan Office or the Plan's legal counsel. See Section D below.

D. Rights of Former Spouse - Domestic Relations Orders

If you are divorced your former spouse may be entitled to a portion or your entire pension. The Plan is required by federal law to comply with a Court order that awards a portion or all of your

pension benefits to a former spouse, child or other alternate payee if the order qualifies as a Qualified Domestic Relations Order ("QDRO") as defined in ERISA.

A QDRO is a Court order that creates or recognizes the existence of a former spouse's or child's right to receive all or a portion of your Individual Account with the Plan. This includes a child support order from a county child support agency. When you file your Pension application, you are required to provide information on any pending or prior divorce action. This includes a Final and/or Interlocutory Judgment, marital settlement agreement and any related documents.

PENDING DIVORCE MAY DELAY OR AFFECT YOUR PENSION

Unresolved disputes regarding a divorce and your pension benefits may delay payment of your pension.

If the Plan is notified of a pending divorce action or receives a court pleading known as a "Joinder Request" or a similar document, the Plan has the discretion to delay paying your Plan benefits for a reasonable period to allow time for the parties to prepare a QDRO, even if your pension application is on file. If it appears that your former spouse or other alternate payee is seeking only a portion of your pension, the Plan may, at its discretion, distribute to you that portion of your pension benefit that is not addressed by the pending QDRO. Moreover, if a spouse or other person fails to pursue a QDRO in a timely manner, the Plan may proceed with a partial or total distribution.

You, your spouse or former spouse may request the Plan's procedures for handling domestic relations orders which includes a sample order containing language acceptable to the Plan. **You or your former spouse (or an attorney) may submit a proposed QDRO to the Plan's legal counsel prior to submission to a Court. Counsel will provide notice of any required changes.**

E. Overpayments Recoverable by the Plan

As a Participant or beneficiary, you are entitled only to the amount and form of benefits described in the Plan document, as amended from time to time. If you receive an improper amount or benefit from the Plan and you become aware of that fact, the Plan requires that you notify the Plan Office of the overpayment and repay the excess amounts.

If you or any beneficiary receives an overpayment of benefits, the Plan will reduce or offset any future benefits to recover the overpayment, unless other arrangements can be made to the satisfaction of the Board of Trustees for the recovery of the overpayment. The Plan will withhold at least 25% of your pension payments until the overpayment is recovered by the Plan and to the extent permitted by law, the Plan may withhold up to 100% of your monthly payments until an overpayment is recouped. The Plan is also authorized to offset lost earnings on the overpayments and reimbursement to the Plan for any attorney fees and costs incurred by the Plan as a result of the overpayment. The Plan may also file a claim against your estate or any other person or entity if amounts are still owed at your death and there are insufficient funds, including any death benefits payable to your beneficiary, to recover the overpayment. Any funds owed by a Participant to the Plan will be deducted from any death benefits that is payable as a result of the Participant's death.

IX. DEATH BENEFITS/PRERETIREMENT SURVIVOR BENEFITS

If you die before retirement or withdrawal of your Individual Account, ERISA requires that your surviving spouse be entitled to a Preretirement Survivor Annuity, which is a survivor pension for life equal to the amount of monthly benefits that can be provided by your Individual Account balance. That annuity is not payable, however, until the Participant would have attained age 55. If your spouse desires such an Annuity, the Plan will use your Individual Account balance to facilitate the purchase of an annuity from an insurance company or other entity at then current market rates or the Plan will otherwise provide the spouse with this benefit.

Upon your death your spouse may, however, waive the joint and survivor annuity and instead elect payment in a lump sum or one of the other benefit options provided in the Plan as summarized above. Non-spouse beneficiaries are entitled to a lump sum distribution upon your death.

Any death benefit payable to a minor under age 18 may be paid to the legally appointed guardian of the minor or, if there be no such guardian, to such adult(s) who has, in the discretion of Plan representatives, assumed principal support of a minor. The Plan may also decide to distribute benefits to a minor, depending upon the circumstances. The Board, and its delegate, have absolute discretion in making such determinations and may delay making a distribution until a beneficiary attains age 18.

X. DESIGNATION OF BENEFICIARY

IMPORTANT: DESIGNATE A BENEFICIARY(IES)

You should provide the Plan with the name and address of your beneficiary or beneficiaries.

You may change your beneficiary at any time, except if you are married, your lawful spouse must consent to any beneficiary designation (other than the spouse) and the form of benefit (if not the joint and survivor annuity). Each designation of beneficiary or beneficiaries must be in writing, signed, in a form acceptable to the Plan and filed with the Plan during your lifetime.

If no beneficiary has been designated or no designated beneficiary has survived you, the Plan will distribute the balance in your account to your spouse, if any, and if there is no surviving spouse, in equal shares, to your children, natural or adopted; if none survive you, to your parents; then to your brothers and sisters; finally, to your estate if there are no survivors.

How do I designate my beneficiary? If you experience a life changing event such as marriage, divorce, birth of a child, or a death in the family, you should consider making or changing your beneficiary designation. Pursuant to federal law, **if you designate your beneficiary online and are married and do not designate your spouse as your primary beneficiary, your spouse must provide notarized spousal consent.**

ALERT: Divorce Invalidates Beneficiary Designation

If you divorce, any previous designation of your former spouse as a beneficiary prior to your retirement is automatically revoked and is no longer valid. **Thus, when your divorce is final, you should immediately change your beneficiary.**

SECOND ALERT: Marriage Invalidates Beneficiary Designation

If you marry, any previous designation of a beneficiary other than your new spouse prior to your retirement is automatically revoked and is invalid. **Thus, upon becoming married, you should immediately change your beneficiary (subject to the Plan's spousal consent requirements).**

XI. POTENTIAL LOSS OR DELAYED PAYMENT OF BENEFITS

You or your beneficiary could suffer a loss in the value of your Individual Account or have payments delayed in at least the following circumstances:

1. **Investment Losses.** The Plan may incur investment losses, such as the depreciation in the market value of the Plan assets, reducing the value of your Account.
2. **Divorce or Child Support Order ("ODRO").** Pursuant to a Qualified Domestic Relations Order, a Court may award a spouse, former spouse, child or other dependent a portion or all of your Individual Account. Payment may also be required by a Court order to be paid to a county or state child support agency. **If you owe past due child support, you could lose your entire individual account balance.**
3. **Plan Expenses.** Your share of Plan expenses reduces the value of your Individual Account.
4. **Fail to File Complete Application.** If you fail to file a completed application or other forms required by the Plan Office, there will be a delay in the payment of your benefits.
5. **Incomplete Information/False Statements.** If you fail to provide information or give false information to verify a disability, your age, beneficiary information, marital status or other vital information, payment of your pension will be delayed or stopped.

If you make a false statement regarding the payment of benefits or other issues related to the Plan, you will be liable to the Plan for any benefits paid in reliance on such false statements or information, and any attorney fees and costs incurred in effecting recovery or which were incurred as a result of the false statement or information. The Plan may deduct any such fees and costs from any benefits otherwise payable to you, a beneficiary, your estate or other persons.

6. **Disappear/Returned Mail.** If the Plan Office is unable to locate you for five years (for example, your annual statement is returned in the mail and the Plan does not have your address), the Plan may close your account. It is your responsibility to notify the Plan of any new mailing address. The Plan uses the address on file as the address of record for you and your beneficiaries. Failure to keep your address current could reduce or postpone payment of your benefits. The Plan may charge the costs of locating missing Participants against the Individual Accounts of separated Participants with incorrect addresses.

7. **Prohibited Employment.** If you continue or return to work in the Plumbing and Pipefitting Industry, you will not be entitled to a distribution from the Plan until you complete such employment.

8. **IRS Contribution Limits/Exceed 401(k) Limits.** The annual Employer contributions to the Plan on your behalf cannot exceed the maximum amount allowed by the Internal Revenue Code and applicable IRS regulations (\$56,000 during 2019, which will increase in future years). Although the Board of Trustees does not foresee this occurring, the Plan contains language to address this situation. In addition, if you defer amounts to the 401(k) Plan in excess of the limits summarized on page 1 in this booklet (which the IRS increases periodically), the Plan will make a refund to you of the excess deferrals and issue an IRS Form 1099R showing that you received taxable income. The same issue could arise if the Plan does not meet the non-discrimination requirements of the Internal Revenue Code, which means the Plan discriminates in favor of highly compensated individuals. This is unlikely to occur but if it does, the Plan would make a refund to the highly compensated individuals of the excess deferrals and issued an IRS Form 1099R showing that you received taxable income. That refund would be issued by April 15 of the following year.

9. **Employer Delinquencies.** If your Employer fails to make contributions to the Plan on your behalf for your Covered Employment, you may lose benefits to which you would otherwise be entitled (or at a minimum, lose earnings on the delayed contributions).

In addition, pursuant to Internal Revenue Service requirements, certain Employer delinquencies are considered Plan expenses to be shared by all Plan Participants. Thus, if there are serious delinquencies by a contributing Employer, the Plan's expenses could increase, resulting in a decrease in the value of your Individual Account even though you do not work (or have not worked) for the particular delinquent Employer(s).

10. **Refund Overpayments.** If the Plan mistakenly makes an overpayment to you or your beneficiary, you or your beneficiary will be required to reimburse the Plan. Moreover, if the Plan is forced to incur legal fees and costs to recover an overpayment, you and/or your beneficiary will be responsible for such fees and costs.

11. **Time Lag in Distributions/Transfers.** Because there might be a time lag between the time you request and receive a distribution of your Plan benefits, there might be a difference in the fair market value at the time you ask for the distribution and when you receive the distribution. The amount of the transfer cannot be greater than the balance on the most recent quarterly statement. If your actual balance according to Trust Fund records is less than shown on your statement, the lower of your account statement balance or your actual balance will be transferred. For example, if you wish to transfer \$50,000 from your account and because of stocks going down

in value, the value of your account is only \$43,000, the \$43,000 will be the amount that is transferred. The Fund will absorb gains or losses during that time lag period in the distribution or transfer process

12. **Beneficiary Dispute—Potential Interpleader Action.** If there is a dispute between or among beneficiaries, the Plan may be required to file an interpleader or other court action seeking guidance from the Court on whom to make a distribution. The legal fees and costs associated with any such dispute, including any legal action, may be reduced from the Individual Account that is the subject of the dispute.

XII. DEFERRAL OF TAXES/ROLLOVERS

A. Deferral of Taxes

An advantage of this Plan is that non-taxed Employer contributions to the Plan accumulate non-taxed earnings for your retirement. **You will pay taxes only when you receive your benefits.** The amount of taxes you will owe will depend on when and how your benefits are paid to you and based on the tax laws in effect at the time.

Due to the complexity and frequency of changes in the federal laws that govern benefit distributions, penalties and taxes, the following is only a brief explanation of the law and IRS rules and regulations as of the date this summary is issued. You will receive additional information at the time of a benefit distribution, but this is not tax advice. **You should consult your tax advisor to determine your personal tax situation before taking a distribution from the Plan.**

Congress passed a law imposing a 10% penalty on early lump sum distributions, except for distributions on account of certain disabilities, death, and distributions upon termination of employment at age 55 or older, among other reasons. Thus, if you receive a lump sum distribution of any share of Plan interest prior to age 55, the IRS could assess a 10% penalty and if you live in California, the State of California assesses a 2.5% penalty on the distribution. The penalty applies if you default on a loan or receive disability benefits but are not totally disabled as defined in the Internal Revenue Code.

The Plan is required by federal law to withhold for taxes 20% of certain lump sum and other distributions from the Plan (see section B below). For monthly or other periodic payments, federal income tax will be withheld unless you elect otherwise.

B. Tax Withholding Rules on Pension Payments

The Plan will withhold federal income taxes from your pension payments unless you elect otherwise. When you retire, you must complete the appropriate form designating whether you wish federal and state tax withholding. (As explained in Section C of this Article, tax withholding is required for certain distributions.) **You are encouraged to consult with a tax advisor to discuss your payment and withholding options and the tax consequences of a distribution.**

WARNING REGARDING INSUFFICIENT TAX WITHHOLDING

The federal and state tax withholding on your pension payment may be insufficient to meet your tax obligations, particularly if you take a large partial or total distribution from the Plan. **The Plan distribution, which will increase your taxable income, may, in many instances, place you in a higher tax bracket requiring a tax payment of much more than the 20% or smaller tax withholding (plus there may be a greater state tax).**

Participants who choose to take a distribution are responsible for satisfying the IRS' distribution rules and any tax consequences of the distribution. Distributions to Participants are reported annually on IRS Form 1099R, which is sent to you (and the IRS) in January following the calendar year in which the distribution was issued.

C. Rollovers and Tax Withholding Rules

The rollover rules apply only when you are entitled to receive your benefits based on Plan rules. Any eligible distribution that is directly rolled over to another eligible retirement account (either another qualified retirement plan or an individual retirement account) is not subject to income tax withholding. Generally, any part of a distribution from this Plan can be directly rolled over to another eligible retirement account unless the distribution (1) is part of a series of equal periodic payments made over your lifetime, or over the lifetime of you and your beneficiary, or over a period of 10 years or more; or (2) is a minimum benefit payment which must be paid to you by law. There are other distributions that are not eligible for direct rollover treatment. You should contact the Plan Office if you have questions about a particular distribution.

If you are eligible to receive your benefits in a lump sum or in periodic payments of less than ten years, your distribution qualifies for "rollover" treatment and can be taken in two ways. Any portion of a distribution that is a required minimum distribution under IRS rules is not eligible to be rolled over. You may have all or any portion of your pension either 1) paid in a "DIRECT ROLLOVER" or 2) paid to you. A rollover is a payment of your Plan benefits to an individual retirement arrangement (IRA) (except for Roth IRA's) or to another qualified Employer plan. This choice will affect the tax you owe, as follows:

Surviving Spouses and Alternate Payees may also roll over certain distributions from the Plan. Required distributions such as when you attain age 70 ½ or retire, whichever is later, cannot be rolled over pursuant to Internal Revenue Code requirements.

There are two ways in which you can roll over your funds, which will affect your taxes as follows:

1. **Direct Rollover.** If you choose a DIRECT ROLLOVER:
 - Your payment will not be taxed in the current year and no income tax will be withheld.
 - Your payment from the Plan must be made directly to your IRA or if you choose, to another qualified Employer plan that accepts your rollovers.

- But, your payment will be taxed later when you take it out of the IRA or Employer plan.

2. **Paid Directly to You.** If you choose to have your Plan benefits **PAID TO YOU**

- You will receive only 80% of the payment, because the Plan Office is required by law to withhold 20% of the payment and send it to the IRS as income tax withholding to be credited against your taxes. (This is so even if you later decide to roll over your pension distribution within 60 days of your receipt of it.)
- Your payment will be taxed in the current year unless you roll it over. You may be able to use special tax rules that could reduce the tax you owe. If, however, you receive the payment before the Plan's early retirement age of 55, you also may have to pay an additional excise tax.
- You can roll over all or part of your payment to your traditional IRA or to another eligible Employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the traditional IRA or the eligible Employer plan.
- If you want to roll over 100% of the payment to a traditional IRA or an eligible Employer plan, you must find other money to replace the 20% that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and was not rolled over.

D. **Your Right to Waive the 30-Day Notice Period**

Generally, neither a Direct Rollover nor a payment can be made from the Plan until at least 30 days after your receipt of the IRS rollover rules notice. When you desire your benefits, you will have 30 days to consider whether to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether you wish to make a Direct Rollover. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by the Plan Office.

E. **Certain Distributions Not Eligible for Rollover**

You cannot roll over a distribution made (1) in a series of equal (or almost equal) periodic payments for your life or the joint lives of you or your spouse or other beneficiary, or (2) as a "required minimum payment" beginning on April 1st of the year after the year during which you reach age 70 ½ (or thereafter). Thus, you may not rollover your monthly Pension received under a Joint and 50% or 100% Survivor Annuity or a Life Annuity.

XIII. CLAIMS AND APPEAL PROCEDURE

A. Claims and Appeal Procedure

The Plan contains a claims and appeal procedure that must be followed. Be sure to read the claims procedure carefully before filing a claim or a lawsuit regarding your pension or the Plan.

The purpose of the claims procedure is to make it possible for claims and disputes to be resolved fairly and efficiently without necessitating costly litigation and attorneys' fees. **No lawsuit affecting the Plan may be brought unless the Plan's appeal procedure is followed first.**

B. Denial of Claim and Appeal Rights

Under the procedures set forth in the Plan and as is required by ERISA, if your claim for a pension benefit is denied in whole or in part, you will receive a written explanation including the specific reasons for the denial. You then have the right to have the Board of Trustees review and reconsider your claim.

To have your claim reviewed or if an issue is not resolved or you or any beneficiary disagrees with any act, omission or decision by the Plan Office, you must file with the Plan Office a written appeal within 60 days of your receipt of the Board's initial denial of your claim or other adverse action. Your appeal must state the specific reasons the denial of the claim or other adverse action was in error. **If you fail to submit your written appeal within that period, there will be no review of your claim.**

You may submit supporting documents or records, and you may examine Plan records pertinent to your dispute. You have the right to representation throughout the review procedure.

If you believe that you are entitled to a non-Disability related benefit that you are not receiving, you can make a written request to the Plan (or its representative) for the benefit. If your request is denied, you will be informed by written notice within 90 days after the Plan received your request.

If you timely file an appeal, a review of your appeal will be held, and a decision rendered by the Board of Trustees by the next regularly scheduled Trust meeting, unless the appeal is received within thirty days of such meeting or special circumstances exist requiring additional time. You may request, or you may be requested by the Board of Trustees to appear at a hearing on your appeal. The Board of Trustees, however, has the sole discretion whether to hold a hearing and whether to allow you to appear at such a hearing.

The decision on review will be in writing and, if your appeal is denied, will include the specific reason(s) for the denial. There is no mandatory arbitration of any denied claim or appeal. The parties may mutually agree on arbitration but that is voluntary only.

If the Board of Trustees needs more than 90 days to review your claim for benefits, you will be advised by written notice within 90 days after receipt of your claim. The notice will inform you why the Plan needs more time (which cannot exceed an additional 90 days), and the date by which you can expect a decision.

C. **Disability Claims and Appeals**

The Plan will administer disability claims and appeal in accordance with the Department of Labor regulations, to the extent applicable.

A Disability Claim must be submitted to the Plan office within 90 days after the date of the onset of the disability. Decisions on disability claims and appeals have different time periods. If the Plan denies your application for disability benefits, the Plan will notify you of the denial within 45 days after the Plan's receipt of your application or claim

An extension of time not exceeding 30 days may be necessary due to matters beyond the Plan's control. If a decision cannot be rendered due to matters beyond the control of the Plan prior to the expiration of the 30-day extension, the period for making a determination may be extended for up to an additional 30 days, in which event notice will be sent to you prior to the expiration of the first 30-day extension.

The notice of extension will include in addition to the information set forth above, the standards on which entitlement to a benefit is based; the unresolved issues that prevent a decision on the claim and the additional information needed to resolve those issues. You will be afforded at least 45 days to provide the specified information, if any. The deadline for the Board of Trustees to render its decision is tolled from the date on which the notification of the extension is sent to you until the date a response from you is received.

If the application for benefits or a claim is denied or if you disagree with the decision made on the claim, you may petition the Board of Trustees for review of the decision (an appeal). Your appeal must be filed with the Plan within 180 days of your receipt of the denial notification. You may have access to relevant documents, records and other information, including any statement of policy or guidance with respect to the Plan concerning the denied treatment option or benefit for your diagnosis, without regard to whether such advice or statement was relied upon in making the benefit determination.

Your appeal of the adverse benefit determination of your disability claim will be decided at the next regularly scheduled meeting of the Plan's Board of Trustees following the Plan's receipt of your appeal, unless the appeal was received within 30 days prior to the date of the Board meeting. If that occurs, the appeal must be decided by the following regularly scheduled Board meeting. If special circumstances require a further extension of time for processing, the Plan office will provide you with a written notice of the extension, describing the special circumstances and the date as of which the determination will be made.

D. **Finality of Decision on Claim – Right to File Lawsuit**

The denial of an application or claim after the right to review has been waived or the decision of the Trustees on appeal has been issued is final and binding upon all parties, including the claimant. No lawsuit may be filed without first exhausting the above appeals procedure. No legal action may be commenced or maintained against the Plan or any Trustee or legal fiduciary, person or entity involved in the decision more than one year after a claim has been denied on appeal.

E. **One Year Limitation Period for Filing Lawsuits**

Upon exhausting the above claims and appeal procedures, if you are still not satisfied, your next step is to file a lawsuit, if you so desire and such lawsuit is permitted under ERISA or other applicable law. **No legal action may be commenced or maintained against the Plan, a Trustee, the Board of Trustees, or other person or entities involved with the denial or decision on appeal more than one year after the determination of your appeal by the Board of Trustees, or if not a formal appeal, one year after the act or omission of which you are questioning.**

XIV. AMENDMENT/TERMINATION/MERGER OF PLAN

A. **Amendment of Plan**

The Board of Trustees may amend the Plan at any time.

Any amendment may apply to all groups and/or Participants covered by the Plan or only to certain groups of Participants. Retroactive amendments may be made to the extent permissible under ERISA and other applicable law. Except as permitted or required by applicable law, an amendment may not divest accrued benefits that have previously been vested.

B. **Merger or Consolidation or Transfer of Assets**

In the event of a merger or consolidation of the Plan with or transfer in whole or in part of the assets or liabilities of the Plan to any other pension plan, each Participant is entitled to a benefit immediately after the merger, consolidation or transfer which is at least equal to the benefit such Participant would be entitled to receive before such merger, consolidation or transfer. The Plan will accept the transfer of assets from another Plan upon approval of the Board of Trustees.

C. **Termination of Plan**

The parties to the different bargaining agreements may terminate the Plan in whole or in part. Although there is no intent to terminate the Plan, there is no guarantee that the Plan will last forever.

In the event of termination or partial termination of the Plan, the assets then remaining, after providing for the expenses of the Plan and for the payment of any Individual Account theretofore approved, would be distributed among Participants, and each Participant would be 100% vested in his or her accrued benefits and shall receive that part of the total remaining assets in the same ratio as his or her Individual Account bears to the aggregate amount of the Individual Accounts of all Participants. The assets are not returned to any Employer (unless the Employer is a Participant in the Plan).

Once the Plan is terminated and all assets have been distributed, the Board of Trustees will be discharged from all liability under the Plan and Participants will have no further rights or claims.

XV. ADDITIONAL INFORMATION REQUIRED BY ERISA

A. Name and Type of Plan

The name of the Plan is the U.A. Local 350 Retirement Plan. The Plan is a money purchase pension plan exempt from federal income tax under Section 401(a) of the Internal Revenue Code.

B. Plan Administrator

The Board of Trustees is the Plan Administrator of the Plan. The Board of Trustees is responsible for ensuring that information regarding the Plan is reported to governmental agencies and disclosed to Plan Participants and beneficiaries in accordance with ERISA.

C. Agent for the Service of Legal Process

The person designated as agent for service of legal process is:

Richard K. Grosboll, Neyhart, Anderson, Flynn & Grosboll
369 Pine Street, Suite 800
San Francisco, CA 94104-3323
415-677-9440, Ext. 130

Service of legal process may also be made upon the professional Plan Administrator, Plan Trustee, or the Board of Trustees, at the addresses listed on page iv of this booklet.

D. Plan Year

The Plan Year commences on January 1 and ends on December 31.

E. Employer Identification Number

The Internal Revenue Service Employer Identification Number (EIN) for this Plan is 88-0214223. The Plan Number is 001.

F. Funding Contributions and Collective Bargaining Agreements and Fund Medium

The Plan is maintained in accordance with collective bargaining agreements between the U.A. Local 350 and the Nevada Association of Mechanical Contractors, Inc. and different individual Employers. There are no employee contributions.

The Plan Office will provide you upon written request with information on whether an Employer for whom the Participant is employed is contributing to the Plan and, if the Employer is a contributor, the Employer's address.

Assets of the Plan are held in Trust.

STATEMENT OF ERISA RIGHTS

A. **Your Rights as a Participant.** As a Participant in the Plan, you are entitled to certain rights and protections under the employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that Participants are entitled to:

- Examine without charge at the Plan Office and at other specified locations such as worksites and the union office, documents governing the Plan, including collective bargaining agreements and the annual report (Form 5500 series) filed with the Department of Labor.
- Obtain copies of Plan documents and other information required by law to be furnished upon written request to the Plan. Pursuant to ERISA, the Plan Office may require that you pay a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report, known as a Summary Annual Report ("SAR"). The Plan is required by law to furnish each Participant with the SAR.
- Receive a statement showing the value of your pension benefits once a year, upon written request.

B. **Prudent Action by Fiduciaries.** In addition to creating rights for Plan Participants, ERISA imposes duties upon the people responsible for operating the Plan. The people who operate your Plan, called "fiduciaries," have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries.

No one, including your Employer, your union, or any other person or entity, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

C. **Enforcing Your Rights.** If your claim for a pension benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request certain documents (specified in ERISA) from the Plan and do not receive them within 30 days, you may file suit in federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator.

If you have a claim for benefits that is denied or ignored in whole or in part, and which is upheld on appeal (or ignored), you may file a lawsuit. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file a lawsuit. **Any lawsuit must be filed within one year of the Trustees' determination on appeal or otherwise.**

If Plan fiduciaries misuse the Plan's money or other assets, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court.

If you file a lawsuit, the court may decide who should pay court costs and legal fees. If you are successful, the court may order the person(s) you have sued to pay your costs and fees. If you lose, the court may order you to pay the Trust's or other defendants' costs and fees (e.g., your claim was frivolous).

D. **Assistance If You Have Questions.** If you have any questions about this statement, the Plan or about your rights under ERISA or if you need assistance in obtaining Plan documents you should contact the nearest office of the Employee Benefits Security Administration (EBSA), U.S. Department of Labor, listed in your telephone directory (or which can also be found at the EBSA website at http://www.dol.gov/ebsa/aboutebsa/org_chart.html) or:

<p>Division of Technical Assistance U.S. Department of Labor Employee Benefits Security Administration 200 Constitution Avenue NW Washington, D.C. 20210</p>
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You can call the Employee Benefits Security Administration at (966) 444-3272; TTY/TDD users: (877) 889-5627. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security administration.

You may find answers to your question(s) at <http://www.dol.gov/ebsa/welcome.html>. This website also contains a list of EBSA offices.