To: Plan Participants, Idaho Plumbers and Pipefitters Pension Plan  
Cc: Contributing Employers and Employee Organizations  
Re: Notice Regarding Plan Amendment Potentially Reducing Future Benefit Accruals  
Date: May 15, 2019

The Board of Trustees recently adopted an amendment to the Idaho Plumbers and Pipefitters Pension Plan (“Plan”). The purpose of this document is to notify you of this Plan change and revise the description of benefits in the current Summary Plan Description dated January 1, 2016 (“SPD”). This change is effective June 1, 2019.

This amendment only affects Participants who enter the Plan on or after June 1, 2019. If you are already a Plan Participant, this change will not affect you.

CURRENT PLAN BENEFIT

As explained on page 7 of the SPD, “Credited Past Service” is credit you receive under the Plan for your employment with your employer prior to your Unit Entry Date (i.e., the date your employer was first required to contribute for your unit or category). As explained on pages 12-13 of the SPD, Credited Past Service is used in calculating “Past Service Benefit,” which is part of your accrued benefit under the Plan.

Currently, you are eligible for Credited Past Service if you are covered by a Collective Bargaining Agreement (“CBA”) or Special Agreement on your Unit Entry Date. You earn ½ year of Credited Past Service (up to 5 years, total) for each 12-month period immediately prior to your Unit Entry Date in which you worked at least 1,000 hours for that employer in the geographic area covered by your Collective Bargaining or Special Agreement. Your Past Service Benefit is currently equal to your Credited Past Service times a specific dollar rate as follows:

<table>
<thead>
<tr>
<th>Employer Class</th>
<th>Past Service Benefit Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Idaho Construction</td>
<td>Your years of Credited Past Service x $58.50</td>
</tr>
<tr>
<td>Light Commercial/Residential Supplement</td>
<td>Your years of Credited Past Service x $13.50</td>
</tr>
<tr>
<td>Montana Construction</td>
<td>Your years of Credited Past Service x $50.75</td>
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</tbody>
</table>
If your Credited Past Service was attributable to more than one employer class specified above, your Past Service Benefit is prorated according to the number of hours worked in each employer class.

Under current rules, to be entitled to Credited Past Service and Past Service Benefit, you must work at least 501 Covered Hours in each of 5 Plan Years after your Unit Entry Date.

**PLAN CHANGE**

The Board has amended the Plan to change how Credited Past Service is credited and how Past Service Benefits are calculated. For Participants with a Unit Entry Date on or after June 1, 2019, the following changes apply:

You are eligible for Credited Past Service if you are covered by a CBA on your Unit Entry Date—coverage under a Special Agreement does not satisfy this requirement. You earn 1 year of Credited Past Service (up to 5 years, total) for each 12-month period immediately prior to your Unit Entry Date in which you worked at least 501 hours for that employer in the geographic area covered by your CBA.

Your Past Service Benefit is then determined by the following formula:

\[
\text{Past Service Benefit} = \text{years of Credited Past Service} \times \text{the hourly Basic Contribution rate on your Unit Entry Date} \times \text{the Future Service Benefit percentage on your Unit Entry Date} \times 1,800
\]

Unlike before, this formula does not prorate or adjust for Credited Past Service attributable to more than one employer class. This means that even if some of your earlier Credited Past Service was in an employer class with a higher or lower Basic Contribution rate, your Past Service Benefit is based on the Basic Contribution rate applicable to you on your Unit Entry Date. Depending on how these circumstances apply to individual cases, this change could produce a higher Past Service Benefit for some and a lower Past Service Benefit for others.

**Examples**

1. Participant worked for his/her current employer for 10 years immediately prior to the Unit Entry Date and worked 1,200 hours in each of those years. The employer is part of the Idaho Construction employer class and is entering the plan with a contribution rate of $6.37/hour, 18% of which is Supplemental ($1.15) and 82% of which is Basic ($5.22).

   a. Old Past Service Benefit calculation: 5 years \( \times \$58.50 = \$292.50 \text{/month} \)

   b. New Past Service Benefit calculation: 5 years \( \times \$5.22/\text{hour} \times 1.0\% \times 1,800 = \$469.80 \text{/month} \)
2. Participant worked for his/her current employers for 10 years immediately prior to the Unit Entry Date and worked 1,200 hours in each of those years. For the entirety of the 10 years prior to the Unit Entry Date the employer completed work in the Idaho Construction employer class. But just before the Unit Entry Date, Participant began working in the Light Commercial/Residential Supplement Employer class in Local 648 and so is entering the plan with a contribution rate of $3.30/hour, 18% of which is Supplemental ($0.59) and 82% of which is Basic ($2.71).

   a. Old Past Service Benefit calculation: 5 years X $58.50 = $292.50/month
   
   b. New Past Service Benefit calculation: 5 years X $2.71 X 1.0% X 1,800 = $243.90/month

3. Participant worked for his/her current employer for 10 years immediately prior to the Unit Entry Date and worked 900 hours in each of those years. The employer is part of the Montana Construction employer class and is entering the plan with a contribution rate of $3.70/hour, 18% of which is Supplemental ($0.67) and 82% of which is Basic ($3.03).

   a. Old Past Service Benefit calculation: 0 years X $50.75 = $0.00/month**
   
   b. New Past Service Benefit calculation: 5 years X $3.03/hour X 1.0% X 1,800 = $272.70/month

   **Under the current rules, Participant had 0 years of Credited Past Service because he/she worked less than 1,000 hours in each of the 10 years immediately prior to the Unit Entry Date.

4. Participant worked for his/her current employer for 5 years immediately prior to the Unit Entry Date and worked 1,000 hours in each of those years. The employer is part of the Non-Construction employer class and is entering the plan with a contribution rate of $4.22/hour, 18% of which is Supplemental ($0.76) and 82% of which is Basic ($3.46).

   a. Old Past Service Benefit calculation: 2.5 years X $41.50 = $103.75/month
   
   b. New Past Service Benefit calculation: 5 years X $3.46/hour X 1.0% X 1,800 = $311.40/month

For all Participants with Credited Past Service (regardless of Unit Entry Date), to be entitled to receive Past Service Benefit, you must satisfy the plan’s vesting requirements.

**FOR MORE INFORMATION**

Please refer to your Summary Plan Description booklet for information about other Plan provisions. You and your spouse may also wish to consult a personal financial adviser to determine the specific impact on your retirement benefits. In the meantime, the Administrative Office will be happy to assist you if you have any questions about this notice or the changes it describes. You may reach the Trust Office at 208-288-1610 (or toll free at 800-808-1687) or by mail at PMB #116 5331 SW Macadam Ave., Ste. 258, Portland, OR 97239.
This notice is provided in accordance with Section 204(h) of the Employee Retirement Income Security Act of 1974, as amended (ERISA), and Section 4980F of the Internal Revenue Code of 1986, as amended. This notice also constitutes a summary of material modifications ("SMM") to your current Summary Plan Description booklet (the 2016 Edition).