



April 2020

Board of Trustees:

Labor Trustees

Danny Hendrix
Justin Wallace
Grant Sample

Management Trustees

Paul Somerville
Ronnie Wise
Steven Rooney

Director

Renée Vause

**Pipeline Industry Benefit Fund
Pipeline Industry Annuity 401(k) Plan**

***Important Information to the Membership
Summary of Material Plan Modifications***

The Board of Trustees of Pipeline Industry Benefit Fund and Pipeline Industry Annuity 401(k) Plan met on April 1, 2020, and approved plan changes summarized below. These important health and welfare plan and 401(k) plan changes will affect active participants, spouses, children, and retirees.

Pipeline Industry Benefit Fund

The following benefit improvements and changes will be implemented for plan participants in the Pipeline Industry Benefit Fund (PIBF):

Virtual Medical Visit option available May 1st

1. PIBF will be launching the MDLIVE program on May 1, 2020. This is a virtual medical visit program offered by BlueCross BlueShield for active and COBRA participants and for participants where PIBF is the primary coverage. This program will give 24/7/365 access to speak to a doctor from any location. Co-payment for this service will be \$15 per visit. This co-payment will not count toward your annual medical benefits deductible or out-of-pocket expense limit. It will be eligible for reimbursement under the Health Reimbursement Arrangement (HRA) by submitting your Explanation of Benefits (EOB) with a completed HRA Claim Form. Details about the program and instructions on how to participate are enclosed. Registration is not available until May 1st. In addition, a new Medical ID card listing the MDLIVE information will be mailed to you soon. Please know that MDLIVE is experiencing high visit volumes due to COVID-19 and the cold and flu season and wait times may be longer than normal.

Health Reimbursement Arrangement (HRA)

2. The Trustees have approved a one-time extension of the HRA filing deadline for 2019. The deadline has been extended from April 15, 2020, to July 15, 2020.

3. Section 3702 of the CARES Act changes the law as of January 1, 2020, and treats amounts paid for over-the-counter (OTC) menstrual care products as payment for medical care. As such, payments for these products can be reimbursed by the HRA. The statute defines the term “menstrual care product” as a tampon, pad, liner, cup, sponge or similar product used by individuals with respect to menstruation. The change applies to amounts paid on or after January 1, 2020. An itemized cash register receipt must be attached to your completed HRA claim form for reimbursement. No other OTC items are included with this change. OTC items remain ineligible for reimbursement under the HRA.

Pipeline Industry Annuity 401(k) Plan

The following 401(k) improvements and changes will be implemented for plan participants and retired participants in the Pipeline Industry Annuity 401(k) Plan:

1. Effective April 1, 2020, the six-month separation distribution option has been reduced to a three-month separation distribution. As of April 1, 2020, if you have not worked in three months or more, you are eligible to take a distribution upon completion of applicable documentation. Distributions under this provision are still limited to 2 per lifetime. The requirement to withhold Federal and State taxes remains in effect and distributions continue to be subject to the 10% early withdrawal penalty if you are under age 59 ½.
2. Effective January 1, 2020, the age to commence Required Minimum Distributions has increased from age 70½ to 72.
3. Effective January 1, 2020, the age for an In-Service Distribution is reduced from age 62 to 59½. This distribution is available for participants who are working and not yet retired. The requirement to withhold Federal and State taxes remains in effect. Distributions under this provision are still limited to 1 per year.
4. Effective April 1, 2020, through March 31, 2021, the amount available to a participant for a Hardship Distribution shall be expanded from Employee contributions only to include QNEC/Employer Contributions and earnings on Employee and QNEC/Employer contributions. Beginning April 1, 2021, the amount available for a Hardship Distribution will be from Employee contributions only.
5. Effective January 1, 2020, an additional Hardship Distribution option has been added under The Coronavirus Aid, Relief, and Economic Security Act (CARES). This option provides that payments qualifying as a “coronavirus-related distribution” (CRD) are exempt from the 10% excise tax for early distributions. This is available for up to \$100,000 in aggregate across all retirement accounts, limited to the amount available for a Hardship Distribution (see Item 4 above), and must be made during the period January 1, 2020, to before December 31, 2020, to the following “qualified individuals”:
 - Individuals diagnosed with SARS-COV-2 or Coronavirus 2019 ("COVID-19") by a test approved by the Centers for Disease Control and Prevention,

- Individuals whose spouse or dependent (as defined by IRC §152) is so diagnosed, or
- Individuals who experience adverse financial consequences as a result of being quarantined, furloughed or laid off or having work hours reduced due to COVID-19, being unable to work due to lack of child care due to COVID-19, closing or reducing hours of a business owned or operated by the individual due to COVID-19, or other factors as may be determined by the Secretary of the Treasury (or the Secretary's delegate).

If you apply for a distribution under this option, you will be required to certify in writing that you satisfy the requirements for a CRD. The CRD may be repaid in one or more payments at any time during the three-year period beginning on the day after the date the distribution was made, to any eligible retirement plan to which you could make a rollover contribution. The repayments will be limited to the amount of the CRD.

As previously mentioned, the CRD will not be subject to the 10% early distribution tax and may be included in income ratably over a three-year period, unless you elect otherwise. The CRD is not eligible for direct rollover and would not be subject to automatic 20% tax withholding.

6. Plan participants who otherwise would be required to take a minimum required distribution in calendar year 2020 can elect to suspend that distribution for 2020.
7. Effective January 1, 2020, an additional Hardship Distribution option has been added to allow a distribution for expenses and losses (including loss of income) incurred by the participant on account of a disaster declared by the Federal Emergency Management Agency (FEMA) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 100-707, provided that the participant's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster.

The Board of Trustees for the Pipeline Industry Benefit Fund believes this plan is a "grandfathered health plan" under the Patient Protection and Affordable Care Act (the Affordable Care Act.) As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost-sharing.

Sincerely,



Renée E. Vause
Director