



October 2020

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**Pipeline Industry Pension Fund
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 Pension Fund, Pipeline Industry Benefit Fund, and Pipeline Industry Annuity 401(k) Plan met on September 8, 2020, and approved changes to the respective Plans as summarized below. These important pension plan, health and welfare plan, and 401(k) plan changes will affect active participants, spouses, children, and retirees.

Pipeline Industry Pension Fund

The following pension improvements and changes will be implemented for Participants earning pension credits and retired Participants in the Pipeline Industry Pension Fund (PIPF):

1. In accordance with the provisions of the Plan prior to January 1, 2013, a retiree age 62 or older could work and receive his monthly pension benefit as an In-Service Distribution; however, accruals earned while working were limited or offset based on the benefit payments received and in most cases the retiree did not receive the accruals for continued work. The Trustees have again temporarily suspended this offset rule extending it through December 31, 2022. If you are a retiree age 62 or older receiving an In-Service Distribution, you may continue to receive your monthly pension check and earn the full accrual of benefits based on the hours worked, with no offset for payments received through December 31, 2022.

Effective October 1, 2020, the PIPF has been amended for the following items:

2. Actuarial assumptions and interest rates that are used to calculate pension payments after the Annuity Starting Date have been clarified.
3. In compliance with the Internal Revenue Code, the Plan was amended to clarify that unless a Participant elects otherwise, payment of benefits shall begin no later than the 60th day after the end of the calendar year in which the latest of the following events occurs: (1) the Participant attains Normal Retirement Age; (2) the 5th Anniversary of the year in which the Participant commenced participation in the Plan; (3) the Participant terminates service with the Employer; or (4) the Participant files an application.

4. The provision for payment of benefits due to missing persons has been removed. Guidance for missing persons are addressed in accordance with the guidelines and procedures adopted by the Trustees. ***Please contact the Fund Office or log in to the member portal at www.pibf.org to update your current address and contact information to ensure that you receive all required communications and timely payment of your benefits.***
5. Participants who are have reached their Required Beginning Date (April 1st of the calendar year after turning age 70 ½) must begin to receive their benefits under the Plan. The Plan will automatically commence payment of benefits to Participants without their consent who have failed to file an application, after repeated efforts by the Fund Office. The Plan was amended to include the actuarial assumptions that will be used to calculate the automatic payment of benefits. The calculation will be based on the assumption that the Participant has been married for at least one year and that the Participant is 3 years older than the spouse, or if available, based on the actual age of the Participant and spouse. The Plan will automatically commence payment in the form of a Qualified Joint and 50% Survivor Annuity, with no lump sum option. This election cannot be changed unless the Participant, no later than 90 days after his Annuity Starting Date, provides documentation that the Participant is not married, or the assumed age difference is not correct. If the Participant cannot be located after a diligent search according to Plan guidelines adopted by the Trustees, the Participant shall be presumed deceased. If the Participant's Spouse cannot be located after reasonable efforts, the payments will be forfeited, subject to reinstatement, without interest, if the Participant or Spouse subsequently file an application.

Pipeline Industry Benefit Fund

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

Plan Modifications

1. Effective September 8, 2020, the exclusion for injectable medications has been removed. Most injectable medications are still subject to the PIBF and CVS internal review process, which considers dosage, quantity, safety, cost-effectiveness for route of administration, and appropriateness of use based on diagnosis.

Health Reimbursement Arrangement (HRA)

2. The Trustees have again approved the continuance of the HRA for 2021. The HRA benefit will continue to be \$4,000.00 per year for active members for single or family coverage. Active members on COBRA will continue to be \$4,000.00 per year for single or family coverage. Separate coverage for spouses and children who are on COBRA is \$2,000.00 per year. The HRA amount for a retired member with covered dependents is \$4,000.00 per year and single retired members, and retired widows is \$2,000.00 per year. HRA benefits are available for months with active, COBRA, or retiree coverage only.



Pipeline Industry Annuity 401(k) Plan

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

1. Effective January 1, 2020, the provision requiring the forfeiture of missing Participants in certain circumstances, after a diligent search, has been eliminated. Guidance for missing persons is addressed in accordance with the guidelines and procedures adopted by the Trustees. ***Please contact the Fund Office or log in to the member portal at www.pibf.org to update your current address and contact information to ensure that you receive all required communications and timely payment of your benefits.***
2. Effective January 1, 2020, the 401(k) Plan will no longer automatically distribute cash-out payments without the consent of the Participant who is entitled to a distribution and whose Account balance is less than \$1,000.00. All Participants must file an application and consent to the distribution of their Account regardless of amount. Before this change, if the Participant were entitled to a distribution and his Account balance was less than \$1,000, the Plan would automatically distribute the Account without the Participant's consent.

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.

The Affordable Care Act (ACA), Section 1557, requires most health plans to state the following: Pipeline Industry Benefit Fund complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex.

This notice is to inform you that you have a reasonable opportunity to change your deferral election under the Voluntary Employee Salary Reduction Agreement before the effective date of the above changes to the terms of the Plan. This Notice is intended to satisfy the requirements of IRS Notice 2016-16.

Sincerely,

A handwritten signature in black ink that reads "Renée E. Vause".

Renée E. Vause
Director