



SOUTHERN CALIFORNIA PIPE TRADES VACATION & HOLIDAY FUND and HEALTH & WELFARE FUND (Active Plan)

SUPPLEMENT*

To: All Participants
From: Boards of Trustees
Date: June 2020
Re: Merger of the Vacation & Holiday Fund into the Health & Welfare Fund

KEEP THIS NOTICE WITH THE SUMMARY PLAN DESCRIPTION

Effective September 1, 2020 the Vacation & Holiday Fund will be merged into the Health & Welfare Fund (Active Plan). This means that after August 31, 2020, all vacation and holiday benefits will be paid by the Health & Welfare Fund.

Why the merger is taking place. In some years Vacation & Holiday Fund contributions and earnings are not sufficient to cover the expenses incurred by the Fund. This means that you often get no additional investment return on the contributions made on your behalf, and you could even receive less than the contributions made on your behalf. By merging the two Funds, some administrative costs are eliminated and remaining administrative costs are shared, providing an opportunity for enhanced vacation and holiday benefits.

No change in Vacation & Holiday Benefits. You will notice no change in how your benefits are earned or paid. Separate contributions will still be made toward vacation and holiday benefits and will be used exclusively for these benefits. Vacation and holiday benefits will continue to be automatically paid in December and April of each year and the Interim Withdrawal and Monthly Benefit Options will remain unchanged. The only difference is that the benefits will be paid by the Health & Welfare Fund instead of the Vacation & Holiday Fund.

Changes to Summary Plan Descriptions (SPDs). The Vacation & Holiday SPD will be incorporated into the Health & Welfare Fund SPD, so you can continue to refer to the Vacation & Holiday SPD for information about the vacation and holiday benefits. In general, wherever there

* Health & Welfare Fund Supplement No. 6 – 2020
Vacation & Holiday Fund Supplement No. 1 – 2020

is a reference to the “Vacation & Holiday Fund”, “Health & Welfare Fund” will be substituted. In addition, references to the “Fund” or the “Plan” will refer to the “Health & Welfare Fund” or the “Health & Welfare Plan.” Finally, the reference in the Vacation & Holiday SPD to the “Board of Trustees” or “Trustees” will refer to the Board of Trustees or the Trustees of the Health & Welfare Fund.

Section 1.B of the Health & Welfare Fund SPD entitled “Purpose of the Plan” is amended to include “vacation and holiday” benefits in the list of benefits provided by the Plan.

This Southern California Pipe Trades Health & Welfare 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. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the Trust Fund Office at (800) 595-7473. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.