



SOUTHERN CALIFORNIA PIPE TRADES DEFINED CONTRIBUTION FUND

501 Shatto Place, 5th Floor, Los Angeles, CA 90020 | (800) 595-7473 (213) 385-6161 | Fax (213) 385-2767 | www.scptac.org

Automatic Enrollment Notice

The Southern California Pipe Trades Defined Contribution Fund makes saving for retirement easier by offering an automatic contribution feature for your elective contributions.

The automatic contribution feature will not change your elective contribution level if you have submitted an Enrollment/Change/Opt-out Form to your Employer electing the level of your contributions to the Plan or electing not to contribute. Your earlier election will continue to be followed so long as you work for the same Employer. If you leave one Employer and begin working for another Employer (including an Employer for whom you have previously worked), you will be required to submit a new Enrollment/Change/Opt-out Form to your new Employer if you wish to contribute a greater or lesser amount than the automatic \$0.50 per hour contribution amount. A copy of the Enrollment/Change/Opt-out Form is attached to this Notice.

You can also change your contribution amount by submitting a new Enrollment/Change/Opt-out Form to your Employer. You may change your contribution amount at any time (subject to reasonable employer payroll processing deadlines).

If you have not submitted an Enrollment/Change/Opt-out Form to your current Employer to elect a contribution amount, you will be automatically enrolled in the Plan starting with your first paycheck with each new Employer. This means that amounts will be taken from your pay and contributed to the Plan. The automatic contributions will be \$0.50 per hour worked each pay period. But, as described above, you can choose to contribute a different amount. You can choose to contribute more or less than the automatic amount. You may also choose to contribute nothing at all by opting out.

This Notice gives you important information about some Plan rules, including the Plan's automatic contribution feature. The Notice covers these points:

- Whether the Plan's automatic contribution feature applies to you;
- What amounts will be automatically taken from your pay and contributed to the Plan;
- How your Plan account will be invested;
- When your Plan account will be vested (that is, not lost when you leave your job), and when you can get your Plan account; and
- How you can change your contributions.

You can find out more about the Plan in the Summary Plan Description (SPD), which is provided to you by the Fund Office. The SPD and updates are also mailed to all currently participating Employees periodically. The SPD can also be obtained online at scptac.org.

1. Does the Plan's Automatic contribution feature apply to me?

The Plan's automatic contribution feature will not apply to you if you elect (by turning in an Enrollment/Change/Opt-out Form) to make contributions to the Plan or elect not to contribute. If you leave one Employer and begin working for another Employer (including an Employer for whom you have previously worked), the automatic \$0.50 per-hour contribution will again apply to you starting with your first paycheck and you will be required to submit a new Enrollment/Change/Opt-out Form to your new Employer if you wish to contribute a greater or lesser amount than the automatic \$0.50 per-hour contribution amount or opt-out. You can always change your contribution level by turning in a new Enrollment/Change/Opt-out Form to your Employer.

2. If I do nothing, how much will be taken from my pay and contributed to the Plan?

If you do not turn in a completed Enrollment/Change/Opt-out Form to your new Employer on the date you are first employed, \$0.50 of your gross pay for each pay period will be taken from your pay and contributed to the Plan. This will start with your first paycheck with each new Employer and will continue as long as you work in employment covered by the Plan, unless you turn in a completed Enrollment/Change/Opt-out Form to your employer choosing a different amount or choosing not to contribute. Your contributions to the Plan are taken out of your pay and are not subject to federal income tax at that time. Instead, they are contributed to your 401(k) Plan account and can grow over time with earnings. Your account will be subject to federal income tax only when withdrawn. This helpful tax rule is a reason to save for retirement through contributions to your 401(k) Plan account. Contributions will be taken out of your pay if you do nothing. But you are in charge of the amount that you contribute. You may decide to do nothing and become automatically enrolled, or you may choose to contribute an amount that better meets your needs. You can change your contributions by turning in a new Enrollment/Change/Opt-out Form to your Employer. If you want to contribute more to your 401(k) Plan account than would be contributed automatically, there are limits on the maximum amount. These limits are described in the Plan's SPD.

3. How will my 401(k) Plan account be invested?

The Plan lets you invest your account in a number of different investment funds. Unless you choose a different investment fund or funds, your 401(k) Plan account will be invested in the applicable T. Rowe Price Retirement Fund. The T. Rowe Price Retirement Fund in which your account will be invested will be the one closest to the year in which you will turn age 65. The Plan offers six T. Rowe Price Retirement Funds, which are the Plan's Qualified Default Investment Alternatives (QDIAs):

- T. Rowe Price Retirement 2005 Fund

- T. Rowe Price Retirement 2010 Fund
- T. Rowe Price Retirement 2020 Fund
- T. Rowe Price Retirement 2030 Fund
- T. Rowe Price Retirement 2040 Fund
- T. Rowe Price Retirement 2050 Fund

The T. Rowe Price Retirement Funds are designed to provide varying degrees of long-term appreciation and capital preservation through a mix of equity and fixed income exposures based on a participant's age and target retirement date. Each T. Rowe Price Fund's portfolio changes the asset allocation and associated risk level over time with the objective of becoming more conservative (i.e., decreasing risk of losses) with increasing age.

A notice regarding the Qualified Default Investment Alternatives (QDIA) is attached. Also, additional information regarding all of the Plan's investment options is available in the enrollment kit. You can change how your 401(k) Plan account is invested, among the Plan's offered investment funds, by contacting John Hancock Retirement Plan Services. Contact information for John Hancock is listed in item number 6 of this notice and in the Plan's SPD. To learn more about the Plan's investment funds and procedures for changing how your 401(k) Plan account is invested you can review the Plan's SPD. You can also contact John Hancock or the Fund Office using the contact information in item number 6 of this notice.

4. When will my 401(k) Plan account be vested and available to me?

You will always be fully and immediately vested in your 401(k) Plan account including both the contributions you elect to make and any contributions made by your Employer. To be fully vested in your 401(k) Plan account means that the contributions (together with any investment gain or loss) will always belong to you, and you will not lose them when you leave your job. For more information see, the Plan's SPD. Even if you are vested in your Plan account, there are limits on when you may withdraw your funds. These limits may be important to you in deciding how much, if anything, to contribute to the Plan. Generally, you may only withdraw your money after (1) you retire or become disabled, or (2) you stop working for any Employer contributing to the Plan for a period of at least 12 months. You may also take out certain amounts from your Plan account if you have a hardship as defined by the Plan. Hardship distributions are limited to your Rollover account balance and a portion of the dollar amount of your 401(k) contributions. They may not be taken from 401(k) earnings or Employer contributions. Hardship distributions must be for a specified reason—for qualifying medical expenses, costs of purchasing your principal residence (or preventing eviction from or foreclosure on your principal residence, or repairing qualifying damages to your principal residence), qualifying post-secondary education expenses, or qualifying burial or funeral expenses. Before you can take a hardship distribution, you must have taken other permitted withdrawals and loans from other sources including other employee benefit plans. If you take a hardship distribution, you are not permitted to contribute to the 401(k) Plan for six (6) months thereafter. There is an extra 10% tax on distributions before age 59 ½. Your beneficiary can get any amount remaining in your 401(k) Plan account when you die. You can learn more about the Plan's withdrawal rules in the SPD.

5. Can I change the amount of my contribution?

You can always change the amount you contribute to the 401(k) Plan. If you know now that you do not want to contribute to the 401(k) Plan (and you haven't already elected not to contribute), you must turn in the Enrollment/Change/Opt-out Form to your Employer, checking the second box on the form, no later than the first day of your employment. That way, you avoid any automatic contributions. But if you do not turn in the Enrollment/Change/Opt-out Form in time to prevent automatic contributions, you may cancel the automatic contribution amount of your wages provided you file the Form with your Employer. The cancellation will be effective as soon as your employer can administratively process it, but may be delayed at least one payroll period following the employer's receipt of the Enrollment/Change/Opt-out Form cancelling the automatic contributions.

6. Questions?

If you have any questions about how the 401(k) Plan works or your rights and obligations under the Plan, or if you would like a copy of the 401(k) Plan's SPD or other Plan documents, please contact the Fund Office:

Southern California Pipe Trades Administrative Corporation
501 Shatto Place, 5th Floor
Los Angeles, CA 90020

(800) 595-7473
info@scptac.org
scptac.org

Normal Business Hours:
8:00 a.m. to 4:00 p.m. Monday, Tuesday, Wednesday and Friday
8:00 a.m. to 6:00 p.m. Thursday

If you have questions about investments or about your individual Plan account, contact John Hancock:

John Hancock Retirement Plan Services

(800) 294-3575
mylife.jhrps.com