

# SOUTHERN CALIFORNIA PIPE TRADES DEFINED CONTRIBUTION FUND

## SUPPLEMENT No. 2

To: All Participants  
From: Board of Trustees  
Date: October 2013  
Re: Automatic Enrollment

**KEEP THIS NOTICE WITH THE  
SUMMARY PLAN DESCRIPTION**

### **Plan Amendment**

Effective January 1, 2014, the Southern California Pipe Trades Defined Contribution Plan has been amended to automatically enroll employees into the Pre-tax 401(k) Plan, subject to the following rules and exceptions. **Contributions will be deducted from your pay unless you opt-out.** This Amendment affects employees who are eligible to participate in the Defined Contribution Plan but have not elected to have contributions deducted from their pay. If you have already elected to have contributions deducted from your pay, you will see no change.

**Why this Change?** The Trustees believe that saving for retirement is an important part of anyone's financial plan, and believe that the saving opportunities offered by the Defined Contribution Fund are a valuable benefit. Moreover, many participants are currently unable to save as much money in the plan as they would like to, because not enough employees are participating.

**How Automatic Enrollment Works.** The Trustees have established an Eligible Automatic Contribution Arrangement whereby employers must automatically deduct from wages, before tax, the amount of fifty cents (\$0.50) per hour worked for each employee and forward this amount to the Plan, which will deposit it into an account for the employee. Because these Pre-tax 401(k) Contributions are deducted from wages before certain taxes are calculated, they are considered Pre-Tax Contributions. Once enrolled in the plan, assuming the enrollment has not been terminated by the employee as explained below in the opt-out section, the contributions will be made to the Plan each pay period and the participant will receive quarterly statements reporting the contributions made to the participant's account and the investment gains and losses on these contributions.

**Whom Does This Affect?** The Automatic Employee Contributions will be made for all employees working for an employer signatory or bound to a collective bargaining agreement or other participation agreement or arrangement that provides for employee contributions to be made to the Plan. However, it does not affect an employee who has already made or, upon being employed or upon changing employers, makes an elective contribution to the Plan, whether a Pre-Tax 401(k) Contribution or an After-Tax Roth 401(k) Contribution (see Supplement #1 for information about After-Tax Roth 401(k)).

**When Does This Go Into Effect?** Initially, Automatic Enrollment will commence on January 1, 2014 for all current employees. Thereafter, for each newly hired employee, the Automatic Employee Contribution will go into effect on the first day you begin your employment for a new employer.

**Opting-Out or Changing the Automatic Contribution.** An employee may opt-out either before or after the effective date of the Automatic Enrollment or may select a larger or smaller amount as a Pre-tax 401(k) contribution, or may designate some or all of his/her contribution as an After-tax Roth 401(k) Contribution, by completing an Enrollment/Change/Opt-out Form. This form is enclosed, and is also available from the Fund Office at (800) 595-7473, or online at [www.scptac.org](http://www.scptac.org). Any contributions made before the Plan receives and processes an opt-out form will not be refunded but will be retained in an account for the employee.

**Changing Employers.** An employee who has previously opted-out of Automatic Enrollment will be subject to automatic enrollment in the Plan each time he or she changes employers. Each employee who does not want to be enrolled must complete a new Enrollment/Change/Opt-out form and present it to the new employer. An employee who makes regular voluntary employee contributions to the Plan who changes employers and wishes to continue his/her contributions must also complete a new Enrollment/Change/Opt-out Form and present it to his/her new employer.

**Pre-Tax 401(k) Contributions.** The \$0.50 contributions made under the Automatic Enrollment program are pre-tax contributions. The contributions and income earned on them are not subject to income tax until they are withdrawn. Withdrawals before retirement are severely restricted by law. The restrictions are summarized in the Automatic Enrollment Notice and in the Plan's Summary Plan Description.

**Investment of Automatic Contributions.** Unless and until the employee directs the Fund's record-keeper, New York Life Retirement Plan Services, where to invest his Automatic Employee Contributions (or any other contributions), these contributions, which are deposited into the employee's account, will be invested in the Plan's default investment option which has been selected by the Trustees for all Accounts for which no investment direction has been received. This default option is also known as the "qualified default investment alternative." The qualified default investment alternative is made up of several life-cycle mutual funds with different asset allocations (mixes of equities and fixed income investments). The Plan will invest the employee's contributions in the life-cycle fund that has been deemed most appropriate for the employee's age. However, each employee has individual investment goals and risk tolerance and therefore employees who are enrolled in the Plan are encouraged to review the investment alternatives and determine whether the default investment is the best investment for the participant and, if not, to make an affirmative election on where to invest his or her account by contacting New York Life.

**Keeping the Fund Office Informed.** Once a participant is enrolled in the Plan, the participant should complete an Enrollment & Beneficiary Form to name a beneficiary for the death benefit payable under the Plan should the participant die; keep the Plan advised of any change of family circumstances, such as marriage and divorce; and advise the Plan of any change of address. Both the Enrollment/Change/Opt-out Form and the Enrollment & Beneficiary Form are available from the Fund Office.

For further information about Automatic Enrollment, changing the amount of Automatic Employee Contributions, opting-out of the Plan, or designating a beneficiary, **contact the Fund Office at:**

(800) 595-7473

or

[www.scptac.org](http://www.scptac.org)

or

[info@scptac.org](mailto:info@scptac.org)

To designate or change investment alternatives, **contact New York Life Retirement Plan Services at:**

(800) 294-3575

or

[mylife.newyorklife.com](http://mylife.newyorklife.com)