

Inform^{er}

A Quarterly Publication of the Southern California Pipe Trades Administrative Corporation

Learn More, Get More

Ever wonder how much you need to be financially comfortable throughout your retirement? This issue of *Informer* highlights the value of your retirement plans and ways to get ahead.

Smart Decisions to Get Ahead

One paradox of the pandemic economy, according to Joe Pinsker, staff writer at *The Atlantic*, is that “American households have on average been saving more money than they usually do.” The country’s personal saving rate, he reports, “has rarely exceeded 10 percent in the past 20 years, but it shot up to more than three times that in April.” People are spending less on “daily comforts,” he adds, such as eating out, entertainment, travel, new clothes and extracurriculars for their kids. Several investment firms also report that people of all ages are putting significantly more money into their 401(k) and savings accounts.

Year-end is a good time for you to do the same. Review the value of your Southern California Pipe Trades Defined Contribution Plan account. Consider increasing your contribution percentage even if retirement seems far away. The sooner you start saving more, the greater rewards at retirement time—thanks to effects of compounding investment returns. Remember, all account contributions and investment earnings are always 100% vested. Don’t delay! Even if you previously opted out, you can enroll and start saving. Consider increasing your contribution rate to maximize your retirement savings. Simply complete the *Enrollment/Change/Opt-Out Form* available at www.scptac.org and give it to your Employer. For additional details, see your *Summary Plan Description* (SPD).



Now is a good time to learn more about your retirement savings.

Tax Deferral. When you make Pre-tax 401(k) contributions to the Defined Contribution Fund, you don’t pay income tax on those contributions and investment earnings until they are withdrawn. That’s usually when you retire and may be in a lower tax bracket. Because your contributions are not taxed now, they also have the potential to generate higher investment earnings.

Tax-Free Retirement Income. If you choose to make After-tax Roth 401(k) contributions, you pay tax on the contributions now, but both contributions and investment earnings are withdrawn tax-free as long as the withdrawal is qualified.

Diverse Investments. The Fund offers a variety of investment options selected by the Plan Trustees and administered by John Hancock. You can diversify your portfolio as you see fit. You determine how much risk you want to take by allocating your investments among stable-value, bond or stock funds.

Get the Help You Need

It’s easy to review and change your investment choices at any time by visiting myplan.johnhancock.com or calling their investment specialists at (833) 388-6466. John Hancock also offers Morningstar® Retirement Manager, a free tool providing personalized investment advice.

OTHER RETIREMENT ACCOUNTS?

If you changed jobs a few times, you may have retirement or 401(k) assets with a former employer. Or you may have an IRA through your bank or other investment firm. We can help you combine eligible retirement assets into your Defined Contribution account using the proper forms with necessary signatures. Call John Hancock at (833) 388-6466 or email a consolidation specialist at jhrpsconsolidations@jhancock.com. You can also call the Fund Office at (800) 595-7473 or email them at info@scptac.org.

When you consolidate retirement accounts, you can usually save money by reducing the impact of fees on your investments. This means more money in your account to build and compound for the future. Consolidating your accounts also allows you to have all your investments in one place, which helps you review, diversify and rebalance more easily.

Note: Information in this publication is for general reference for the six Southern California Pipe Trades Funds only. This document does not take the place of official Plan Rules and Regulations.

Plan Today, Enjoy Tomorrow

Introducing: Your Retirement Planner

You now have access to a secure online retirement planner developed by John Hancock. Knowing what your future could look like will help you make the right decisions to get the future you want.

Here's how it works. Log in to your Defined Contribution account at myplan.johnhancock.com to see your personalized plan on your home page. (You may need to register and create a password if you haven't been there before.)

Your account balance and investment results are already there. The planner helps you envision your retirement readiness based on your savings and ongoing contributions. Best of all, it lets you try different scenarios and develop a strategy to get your plan on track.

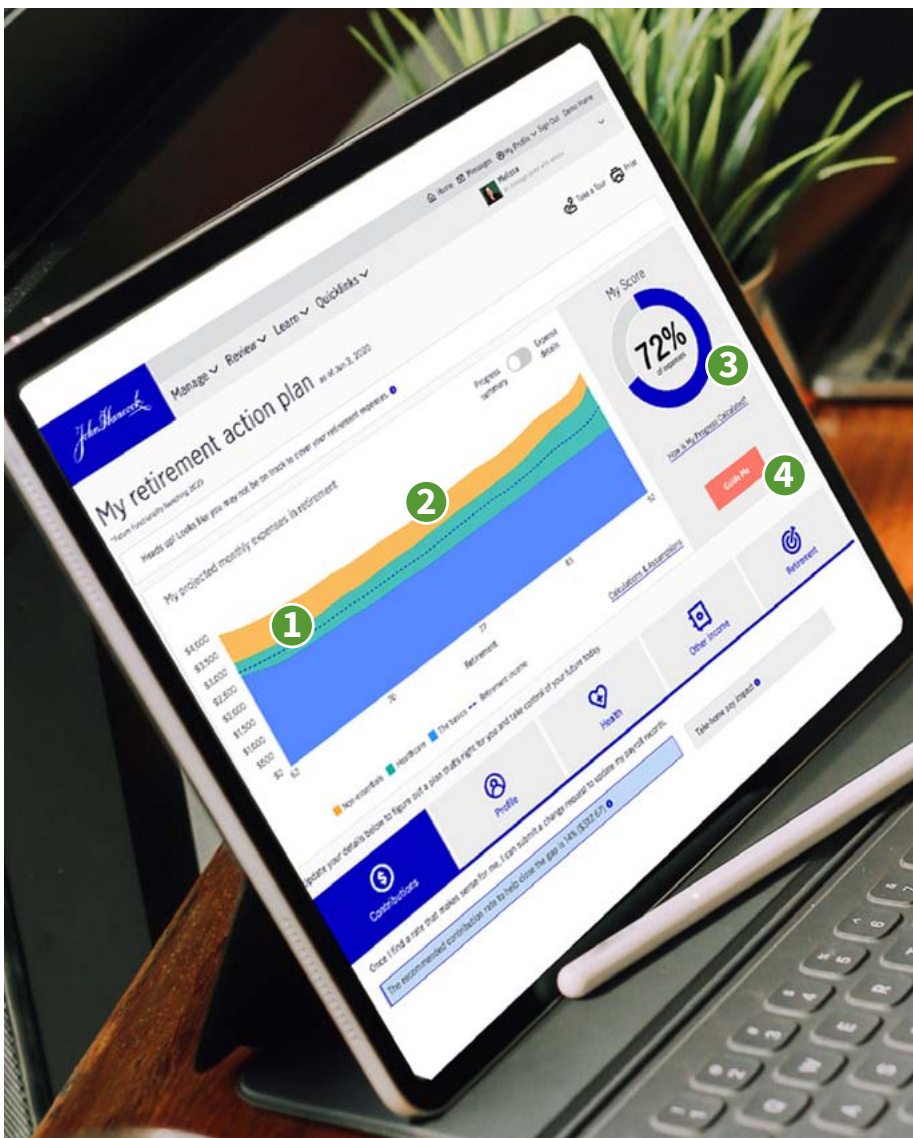
The photo below shows a sample participant's retirement planner. Your planner will look similar. It shows a graph with monthly projections of what his retirement income will be for any given year in retirement.

Decide to Save More

Your planner lets you explore whether you're saving enough for a comfortable future. Increasing your monthly contributions by as little as one to five percent will have a big impact on your savings. You may not even notice the change. If you change contribution deductions, you need to choose whether those amounts will be pre-tax or after-tax contributions. (See page one for details on how to change your contribution amounts.)

Now's the time to fine-tune your action plan. Start with your "Profile" tab. Fill in as much or as little information as you'd like. Data you provide is protected within your secure account. The more details you provide, the better your estimate will be.

Follow the links to manage your account, access interactive resources and view your quarterly statements. Your next statement will be mailed in January 2021 showing account details as of December 31, 2020.



Your planner assumes you want your money to last through retirement. It shows the percentage of expenses you're on track to cover each month (represented by your score inside the blue dial).

1 How much will you have?

Your estimated retirement income, represented by the dotted line, is based on your current savings and ongoing contributions (if applicable).

2 See your projections over time

Click anywhere on your graph and drag along different ages in retirement to see how your projections may change.

3 Are you on track?

The photo shows this person can already meet **72%** of projected retirement expenses based on his account.

To learn how your own score is calculated, click on the link below your score.

4 Guide me

Click on the red "Guide me" button to learn how to meet your goals and get the most from this experience.

IMPORTANT REMINDERS

It's easy to download the forms listed below at www.scptac.org. Or ask the Fund Office or your Local Union for a copy.

Annual Claim Form Required

Each year, all participants and dependents covered under the Health & Welfare Fund or the Pensioners & Surviving Spouses Health Fund must complete a *Claim Form*. If you don't, your claims will be denied.



Health Reimbursement Arrangement (HRA)

Remember to request reimbursement for out-of-pocket health expenses by completing the *HRA Reimbursement Form* and enclosing the required documents explained on the form. Your HRA allowances may be used to reimburse expenses you and your covered dependents incurred that were not paid through your medical, dental, vision and prescription drug coverage—such as deductibles, copayments, premiums and certain non-covered expenses. Since January 1, 2020, non-prescription drugs and menstrual care products are reimbursable.

Tax Forms Mailed in January

By January 31 each year, the Fund Office sends retirees and beneficiaries Internal Revenue Service *Form 1099R* (and *Form 1099M* if you also received a Christmas Bonus benefit). These forms show the total Plan benefits received during the past calendar year. They also show any federal or state taxes withheld that year. Contact your tax advisor if you have questions about how much to withhold in the future.

Health & Welfare Fund: Vacation and Holiday Benefit Plan Payments

Your Employer contributes to your Vacation & Holiday individual account based on the number of hours you work. Under the Normal Benefit option, *holiday payments are automatically issued by December 10th*. **No forms are required.** In addition to the automatic payouts in April and December, you may request one Interim Withdrawal each calendar year to receive 100% of your available balance free of charge. Under the Monthly Benefit option, you may instead elect to have your available balance deposited into your bank account at the beginning of each month. Contact the Fund Office for details.

Christmas Bonus Payments

The Christmas Bonus Plan provides an extra December benefit to eligible retirees, surviving spouses or beneficiaries of the Southern California Pipe Trades Retirement Fund. Christmas bonus payments were developed through negotiating efforts of District Council #16 and participating Employers. Contributions paid into the Fund are based on hours worked by active members. Covered participants must be in “good standing” with their Local Unions and meet additional eligibility requirements. See the *Summary Plan Description (SPD)* for details.



ANNUAL NOTICES

Availability of HIPAA Notice of Privacy Practices

The Health and Portability and Accountability Act (HIPAA) provides rules that allow for greater control over who may access your health records. The Southern California Pipe Trades Health & Welfare Fund and Southern California Pipe Trades Pensioners & Surviving Spouses Health Fund provide health benefits to eligible participants and their covered dependents as described in the *Summary Plan Description (SPD)*.

The Plans maintain a privacy policy pursuant to HIPAA as is required by law that provides notice to participants of the Plans' duties and privacy practices, and describes the ways that the Plans use and disclose Protected Health Information (PHI).

To receive a copy of the Plans' notice of privacy practices, send a written request to Southern California Pipe Trades Administrative Corporation, Attn: Privacy & Security Officer, 501 Shatto Place, Suite 500, Los Angeles, CA 90020 or visit the web site at: www.scptac.org/scptac/privacy.html.

Women's Health & Cancer Rights Act of 1998

The Women's Health and Cancer Rights Act (WHCRA) provides protection for patients who elect breast reconstruction in connection with a mastectomy. For Plan participants and covered dependents receiving benefits in connection with a medically necessary mastectomy, the Plan currently provides reconstructive surgery and other benefits related to a mastectomy.

This coverage must include:

- All stages of reconstruction of the breast on which the mastectomy was performed;
- Surgery and reconstruction of the other breast to produce a symmetrical appearance;
- Prosthesis; and
- Treatment of physical complications of the mastectomy, including lymphedema.

RECENT BENEFIT UPDATES

The Board of Trustees made benefit updates listed below. Read your *Supplements* for more details. Keep them with your *2019 Summary Plan Description (SPD)*. Contact the Fund Office at **(800) 595-7473** if you need copies.

Health & Welfare Fund

- Supplement #10: Clarification of Benefit for Cosmetic Surgery
- Supplement #11: Vacation & Holiday Benefit Plan Improvements
- Supplement #12: Pain Management Benefits

Pensioners & Surviving Spouses Health Fund

- Supplement #6: Change in 2021 Monthly Premiums
- Supplement #7: Benefit Changes

Defined Contribution Fund

- Supplement #4: Distributions and Transfers Due to a Participant's Change in Employment Status

Festive Chocolate Cupcakes

Satisfy your sweet tooth with cupcakes. This dessert is gluten- and sugar-free (except sprinkles).



Ingredients (Makes 12 cupcakes)

1 cup each: almond and gluten-free flours
2 tsp baking powder
1 tsp salt
¾ cup unsweetened cocoa
2 tbsp stevia
¾ cup milk or nut milk
3 tbsp coconut oil
1 cup unsweetened applesauce
2 eggs
1 tsp vanilla

Frosting

8 ounces mascarpone cheese
1 tablespoon butter
½ cup heavy whipping cream
1 tsp stevia
1 tsp vanilla extract
Optional sprinkles

Directions

1. Preheat oven to 375 degrees. Prepare cupcake tray with liners.
2. Stir dry ingredients until lump-free. In large bowl, mix wet ingredients for two minutes. Add in dry ingredients and beat three minutes until smooth. Pour mixture into liners.
3. Bake for 40 minutes or until toothpick comes out clean.
4. For frosting, use an electric mixer to beat the whipping cream. Add in mascarpone, butter, stevia and extract. Frost cupcakes when cool and add sprinkles (if desired).

YOUR PLAN CONTACTS



**Southern California Pipe Trades
Administrative Corporation**

Fund Office: (800) 595-7473 or info@scptac.org

Defined Contribution Fund

John Hancock: (833) 388-6466

Health & Welfare Fund

Doctor on Demand: (800) 997-6196

PlushCare: (888) 370-4689

NurseHelp 24/7: (877) 304-0504

Heal – Doctor House Visits: (844) 644-4325

Delta Dental PPO: (800) 765-6003

DeltaCare USA (DHMO): (800) 422-4234

Vision Service Plan (VSP): (800) 877-7195

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501 Shatto Place, Suite 500, Los Angeles, CA 90020 | www.scptac.org | info@scptac.org | (800) 595-7473 | (213) 385-6161 | Fax (213) 383-0725
SCPTAC Office Hours: Monday, Tuesday, Wednesday & Friday - 8:00 a.m. to 4:00 p.m., Thursday - 8:00 a.m. to 6:00 p.m.

How Retirement Dollars Add Up

Even if retirement is 10, 20 or 30 years away, it's helpful to learn how the hours you work affect your pension benefit.

The Southern California Pipe Trades Retirement Plan calculates your pension benefit based on contributions received during your working years. Since 1999, the calculation assigns a benefit value to each pension hour you work based on an accrual rate determined by the Trustees. Every pension hour you work helps your benefit grow.

An Example

Here's a snapshot of how a sample participant's pension adds up after just 10 years of covered work. (Your Plan's current average is 20 years of covered work at retirement.) This participant started covered work at age 55 in 2011 and wants to retire at age 65. After 10 years of covered work, his normal retirement benefit grew to **\$1,347.41** per month. If he retires at age 65, his monthly pension benefit will be about **\$16,169** per year ($\$1,347.41 \times 12$ months).

Ten years from now at age 75, this pensioner will have received about **\$161,690** in lifetime pension benefits ($\$16,169 \times 10$ years). In 10 more years, the total received by age 85 would be **\$323,380**.

This participant started covered work in 2011 but only worked **800 hours** that year. Since he didn't have **at least 1,000 hours** that calendar year, he did not earn a vesting credit.

During the next five years, he worked **at least 1,000 hours** each year and became vested in **2016**.

Once vested, you cannot lose your accumulated pension hours and pension credits. Vesting means you are entitled to receive a pension at retirement age even if you leave covered work or earn no additional pension or vesting credit.

See your *Summary Plan Description (SPD)* for eligibility requirements and other details. You can review or download a copy at scptac.org.

Important Note: Be careful if you stop working or change jobs before you are vested. Your SPD explains the rules related to vesting and breaks in service. Contact the Fund Office for more information.

PLAN YEAR	PENSION HOURS	BENEFIT ACCRUAL RATE	ANNUAL ACCRUED BENEFIT
2011	800	x .0705 =	\$ 56.40
2012	1,260	x .0705 =	\$ 88.83
2013	1,260	x .0755 =	\$ 95.13*
2014	2,000	x .0755 =	\$151.00
2015	1,500	x .0791 =	\$118.65*
2016	2,040	x .0791 =	\$161.36
2017	2,040	x .0791 =	\$161.36
2018	2,040	x .0841 =	\$171.56*
2019	2,040	x .0841 =	\$171.56
2020	2,040	x .0841 =	\$171.56
Total Monthly Normal Retirement Benefit at Age 65			\$1,347.41

*The Trustees increased accrual rates effective July 1 for Plan years 2013 and 2015, and effective September 1 for Plan year 2018. Rates shown for these years are simplified for illustrative purposes.

What If You Work 25 Years or Longer?

The more pension hours and years of covered work, the bigger the pension will be. Once participants earn more than 25 pension credits, a higher accrual rate kicks in to affect future hours worked. Check your *Quarterly Statement* to see your pension credits and prorated pension hours earned so far. Pension credits determine when you are eligible to retire and how your pension hours affect your monthly benefit. **Note:** Plan participants can only earn up to one pension credit per calendar year. See your SPD for more details.

Are You Vested?

As shown in the example above, vesting establishes the right to a future benefit from the retirement plan. Under current rules, you earn a vesting credit after working **at least 1,000 hours** during a calendar year and are vested after earning five vesting credits before a permanent break in work. **Note:** Not all your hours have to be with the same participating Employer.

Are You Near Retirement?

The best way to get started is to request a *Pension Status Statement* and a *Benefit Estimate* from the Fund Office. These statements provide your eligibility status, your earned benefit at age 65 and a projected estimated monthly benefit based on your proposed start date and other factors. Be sure to apply for benefits at least three months before your retirement date so payments will begin on time. To request the *Basic Pension Application*, visit scptac.org or call the Fund Office.



Southern California Pipe Trades Administrative Corporation
501 Shatto Place, Suite 500, Los Angeles, CA 90020

**Important
Information
About Your
Benefits**



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The Board of Trustees to the **Southern California Pipe Trades** trust funds oversees the collectively bargained benefits available to you and your covered dependents.

This issue of *Informer* helps you focus on your retirement benefits so you can:

- **Make** year-end decisions to get ahead
- **Understand** savings and tax advantages
- **Learn** how your retirement benefits add up
- **Review** key benefit reminders and actions

Take a few minutes to read what's inside and share it with your family.

For more information, contact the Fund Office at **(800) 595-7473**.

WHAT'S INSIDE

- 1. Smart Decisions to Get Ahead**
 - 2. Introducing: Your Retirement Planner**
 - 3. Important Reminders**
Annual Notices
Recent Benefit Updates
 - 4. Recipe: Festive Chocolate Cupcakes**
Your Plan Contacts
 - 5. How Retirement Dollars Add Up**
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