

PIPE TRADES INDUSTRY HEALTH & WELFARE PLAN
NOTICE TO PLAN PARTICIPANTS

Summary of Material Modification

It is the intention of the Board of Trustees of your Welfare Plan to change benefits from time to time when the financial soundness of the Fund requires, and at other times to comply with changes to the Federal law. The following amendment was made to your Welfare Plan.

GENE THERAPY

Effective February 5, 2019, the Trustees have modified the Plan to exclude payment for any gene therapy.

ADDITION OF A HEALTH REIMBURSEMENT ACCOUNT (HRA) FOR LOCAL 157

The members of Local 157 agreed to negotiate \$0.25 per hour into a Health Reimbursement Account which is called a HRA for short. The Plan was amended to incorporate this new HRA benefit with contributions credited to each member's individual account upon receipt from the contributing employers starting to the Plan for the July 2019 work month.

HRA accounts are becoming more and more common as the contributions contributed are tax-exempt to the members. You are able to use your HRA contributions for reimbursement of eligible medical out of pocket expenses by submitting an application for reimbursement to the Fund Office. Your HRA is a tax-free fringe benefit when used for qualifying medical expenses, and any other applicable HRA rule, as explained in the Summary of Material Modifications. There are IRS rules concerning the interaction of Health Savings Arrangements (HSA) and Flexible Spending Arrangements (FSA) with HRAs that could have a tax impact. For more information on HRAs, FSAs and HSAs, see IRS Publication 969, *Health Savings Accounts and Other Tax-Favored Health Plans*. This Publication is available online at <https://www.irs.gov/pub/irs-pdf/p969.pdf>. For specific advice on tax questions involving your HRA, consult your professional tax advisor.

You will not be able to submit a request for reimbursement for eligible medical out of pocket expenses until July 1, 2020. This allows the individual member accounts to build up equity.

The attached amendment explains the details of the new HRA benefit. Please note that the opt-out option for the HRA does NOT mean you would get the negotiated amount back on your check. If you opt out, your employer is still bound to continue contributions on your behalf under the terms of your collective bargaining agreement. If you opt out, it only means that you will forfeit any contributions being submitted on your behalf and any right for reimbursement of eligible medical out of pocket expenses. The opt-out provision is incorporated to be compliant with integrating the HRA with the medical plan for the Affordable Care Act. If you have any questions, please do not hesitate to contact the Plan's administrative office.

CHANGE IN TRUSTEE

This is to inform you that there has been a change to the Board of Trustees as listed in your Summary Plan Description. Mr. Michael Falkenstein from Plumbers and Steamfitters Local 136 has been replaced by Mr. John Bates. The contact information has not changed. This change was effective February 5, 2019.

Statement Regarding Status as a Grandfathered Health Plan

This group health plan 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 Plan Administrator. 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.

Please keep this notice with your Summary Plan Description booklet and if you have any questions regarding this change, please contact the Plan’s administrative office.

Sincerely,

BOARD OF TRUSTEES