February 2019

SUMMARY OF MATERIAL MODIFICATION NUMBER 1 (SMM#1)

Please place this in your Summary Plan Description ("SPD") for handy reference and safekeeping. If you do not have an SPD, you may obtain a copy by visiting our website at http://www.ualocal1.org/fund-office.aspx or by making a written request to the Fund Office.

IMPORTANT!

This Summary of Material Modification ("SMM") describes changes to the SPD for the Plumbers Local Union No.1 Employee 401(k) Savings Plan (the "Fund") dated July 2018.

SPD Pages11, 15, 16 and 36 – Elimination of Six-Month Suspension Period of Elective Deferrals Following Hardship Withdrawals for Hardship Withdrawals taken on or after January 1, 2019

The SPD explains that a Participant must have his/her 401(k) Elective Contributions suspended for the six-month period following the date he/she received a hardship withdrawal. As permitted by the Bipartisan Budget Act of 2018, the six-month suspension period shall no longer apply to any Participant taking a hardship withdrawal on or after January 1, 2019. Any references in the SPD to the six-month suspension period shall be disregarded for hardship withdrawals taken on or after January 1, 2019.

SPD Page10 ("HOW MUCH CAN I CONTRIBUTE TO MY 401(K) ELECTIVE CONTRIBUTION ACCOUNT"")

Change to the Internal Revenue Service Limits for 2019. You may continue to contribute between 1% and 75% of your pay, up to the limits set by the Internal Revenue Code ("IRC"). The IRC limits the amount you may contribute in any calendar year. The amount is adjusted periodically by the Internal Revenue Service to reflect changes in the cost of living. The limit for 2019 is $19,000 ($25,000 if you make "catch up contributions"). Even if you participate in more than one retirement program that allows you to make elective contributions, your total for all plans is still $19,000 ($25,000 if you make "catch up contributions").

The Plan is required to test each year to ensure that the Plan does not discriminate in favor of Highly Compensated Employees. A Highly Compensated Employee is an employee who is a five-percent (5%) or greater owner or who receives compensation in excess of an amount set by law. This amount is adjusted periodically for inflation. In 2019, the amount is $125,000. If it is determined through testing that the Plan is discriminating in favor of these employees, those Highly Compensated Employees who have the highest amount of dollars contributed will have their contributions reduced until the test is passed. These excess contributions will be returned to the Highly Compensated Employees no later than the last day of the Plan Year following the Plan Year in which the excess contributions occurred.

SPD Page11 ("Catch-Up Contributions")

The maximum catch-up contribution for 2019 remains unchanged at $6,000.

SPD Page11 (“Your Compensation”)

For Plan purposes, your compensation is your gross earnings paid to you by your employer(s). It generally includes wages and other remuneration provided to you by your employer in a calendar year. Your compensation is defined as compensation for all services, including wages, salaries, bonuses, vacation pay, sick pay, holiday pay and any Employee expense allowance which are not part of an “accountable plan.”

If you earn more than $280,000 in 2019, only the first $280,000 is considered your compensation under the Plan. This $280,000 cap reflects the 2019 compensation limit. The Internal Revenue Service adjusts this limit periodically to reflect changes in the cost of living.

SPD Page12 (“Limits on Contributions”)

The law limits the total annual amount of contributions that may be made to this Plan on your behalf in each calendar year. The limit for 2019 is $56,000. The limit includes both the contributions made by your employer and your 401(k) Elective Contributions to your account. This limit is adjusted periodically by the Internal Revenue Service to reflect changes in the cost of living. You will be notified if these limits affect your benefit.

The Plan is also required to test each year to ensure that the Plan does not discriminate in favor of highly Compensated Employees. A Highly Compensated Employee is an employee who is a five-percent (5%) or greater owner or who receives compensation in excess of an amount set by law. This amount is adjusted periodically for inflation. In 2019, the amount is $125,000. If it is determined through testing that the Plan is discriminating in favor of these employees, those Highly Compensated Employees who have the highest dollar amounts of contributions will have their contributions reduced until the test is passed. These excess contributions will be returned to the Highly Compensated Employees no later than the last day of the Plan Year following the Plan Year in which the excess contributions occurred. These excess contributions will be taxed in the year they are received by the participant.

SPD Page 27 (“RIGHT TO APPEAL”)

Change to the Time Limit for Filing an Administrative Appeal to the Trustees. For claims denied on or after October 1, 2018, a Participant, Spouse, or Beneficiary whose application for a benefit has been denied, in whole or in part, will have the right to appeal the decision, by written request filed with the Trustees within 60 days after receipt of the notice of denial or within 60 days after the date the denial is considered to have occurred.

SPD Page 28 (“RIGHT TO APPEAL”) and Page 32 (“ENFORCE YOUR RIGHTS”)

The Addition of a Venue Requirement for Lawsuits. Effective October 1, 2018, any lawsuit related to any claims that a Participant, Spouse or Beneficiary may have against the Fund, the Board of Trustees, or any employee, fiduciary or representative of the Fund may only be brought in the United States District Court for the Eastern District of New York in Brooklyn, New York.

SPD Page 28 (“RIGHT TO APPEAL”) and Page 32 (“ENFORCE YOUR RIGHTS”)

Change to the Time Limit for Commencing a Lawsuit. Effective October 1, 2018, any action by a Participant, Spouse or Beneficiary under ERISA Section 502(a) following an adverse benefit determination on review must be filed within 365 days from the date of notice of the adverse benefit determination. In addition, any legal or equitable action related to any other claims that a Participant, Spouse or Beneficiary may have against the Fund, the Board of Trustees, or any employee, fiduciary or representative of the Fund must be commenced within 365 days from the date that such claim arose. Such claims include, but are not limited to, claims for penalties for an alleged failure to provide requested documents, claims for benefits, claims to clarify rights to future benefits under the Plan, and any other claim to which the statute of limitations set forth in ERISA Section 413 does not apply