



TO: ALL SIGNATORY EMPLOYERS

**RE: NORTHERN CALIFORNIA CARPENTERS 401(K) PLAN
A Plan for Union Members and Signatory Employers**

The Northern California Carpenters introduced the Northern California Carpenters 401(k) Plan effective September 1, 2008. The 401(k) Plan was established to offer members of the Northern California Carpenters Union and signatory employers. Even though participation in the 401(k) Plan is voluntary for employees, the Bargaining Parties have agreed that all signatory employers will accommodate an employee's request to participate.

What is the Northern California Carpenters 401(k) Plan?

The Northern California Carpenters 401(k) Plan ("NCC 401(k) Plan" or "the Plan") is a multi-employer, collectively bargained Taft-Hartley 401(k) Plan for carpenters. New York Life Retirement Plan Services ("New York Life") will administer the NCC 401(k) Plan, providing access to a premier Taft-Hartley 401(k) Plan in a cost efficient environment. The Plan:

- Helps to provide additional financial resources for retirement
- Offers simple, systematic pre-tax investing through salary deductions
- Lowers federal, and often state, income taxes for participants¹
- Provides potential tax-deferred growth

It's simple. The Plan offers a regular, convenient way to invest pre-tax or Roth 401(k) dollars into your employees' personal accounts.

It's smart. Pre-tax contributions lower the federal, and often the state income taxes, of participants¹. In addition, a 401(k) Plan provides potential tax-deferred growth.

It's flexible. Participants may choose from a variety of fund options to match their investment objectives, and change their selections over time.

¹ Note: Unlike contributions to the Pension and Annuity Plans, the pre-tax savings feature of the 401(k) Plan does not eliminate the FICA and FUTA requirements of an employer. Please discuss with your payroll vendor or payroll personnel should you have questions.

What Are the Plan Benefits?

➤ For a Union Member

- Additional voluntary savings for retirement
- Contributions are always 100% vested
- Timely reporting and easy access to account information
- Availability of a wide range of mutual fund investment options

➤ For an Employer

- No set-up costs
- Established 401(k) Plan product
- Streamlined, simple administration
- Easy contribution transmittal

Northern California Carpenters 401(k) Plan – Plan Provisions

The basic features of Northern California Carpenters 401(k) Plan are highlighted below, subject to the terms of the Collective Bargaining Agreement and the Subscription Agreement.

Eligibility:

- Collectively bargained employees are eligible to participate as of September 1, 2008. After that date any collectively bargained new hire can begin contributing on his/her date of hire. *
- Owners, Partners and Superintendents covered by Section 46 of the Master Agreement are eligible to participate as of September 1, 2008, provided those individuals also participate in the Annuity Fund.
- Apprentices, or other individuals covered by the Collective Bargaining Agreement, that do not receive Annuity contributions, are not eligible to participate in the 401(k) Plan. Because the 401(k) Plan is intended to be a Safe Harbor Plan, and Annuity contributions satisfy the Safe Harbor minimum contribution requirement, only those employees covered by the Collective Bargaining Agreement that are eligible for Annuity contributions are eligible to participate in the 401(k) Plan.
- Clerical or other non-bargaining employees not described above are eligible to participate September 1, 2008, provided a Subscriber Agreement is executed by the employer and a 3% non-elective safe harbor contribution is made by the employer on behalf of the participant.

Contributions: Participants may contribute up to \$15,500 per year if less than age 50 and up to \$20,500 per year if age 50 or older. Once the employee determines an amount he/she will voluntarily contribute to the 401(k), that amount will be divided by the anticipated annual hours worked to establish an hourly contribution rate. To reduce the opportunity for over contributing, a Participant may contribute up to \$9.50 per hour (not to exceed the annual limit) to the Plan on a pre-tax or a Roth 401(k) after-tax basis (or a combination of the two). If a participant is eligible to make catch-up contributions (is at least age 50 or will attain age 50 before the end of the calendar year) he/she may contribute up to \$12.50 per hour (not to exceed the annual limit) on a pre-tax or a Roth 401(k) after-tax basis. These voluntary contributions are invested as the participant directs within the investment options offered by the Plan. Initial contributions that are remitted to the Plan will be invested in the MainStay Retirement Fund that is most suitable based on the participant's date of birth until the participant makes an affirmative investment election through *Benefits Complete*.[®]

Enrollment: New hires (or those eligible to begin participating in the Plan on September 1, 2008) that would like to begin participating in the Plan must complete an Enrollment/Contribution Change Form and submit it to their employer. Contributions need to begin as soon as administratively possible (but no later than two weeks following the date the election form is submitted).

Change in Contribution Amount: Participants can change their contribution amount by completing an Enrollment/Contribution Change Form and submitting it to their employer. The change in contribution amount will be effective as soon as administratively possible (but no later than one month following the election to change). Participants can stop contributing by completing a Contribution Change Form. Contributions should stop as soon as administratively possible.

Rollover Contributions: Participants are able to rollover balances of qualified defined contribution plans from previous employers and Conduit IRAs to New York Life, invested as the participant directs within the investment options offered.

Vesting: All participant contributions to the Plan as the result of a salary deferral are always 100% vested.

Quarterly Participant Statements: Every quarter, participants receive an easy-to-read statement summarizing the status of their account, along with a summary of investment performance for the funds offered in the Plan.

Distributions: Distributions from the Plan are available under specific circumstances outlined within the Summary Plan Description.

In-Service Withdrawals: Hardship, Age 59½ and Rollover Contribution withdrawals will be allowed as outlined in the Summary Plan Description.

Loans: Loans from the Plan will be allowed as outlined in the Summary Plan Description and loans will be repaid through a loan invoicing process.

Investment Options: Participants will be able to choose their investment mix from a menu of 32 funds, including two Asset Allocation Portfolios and five Target Date Retirement Funds. This investment menu provides a wide range of choices, across many different asset classes. Participants should use New York Life's Benefits Complete system to make changes to their investment mix. They also can access information about the funds through Benefits Complete.

What do I need to know?

As a signatory contractor, your employees covered by a collective bargaining agreement with the Northern California Carpenters are automatically covered under the NCC 401(k) Plan. However, if you want to cover non-bargaining employees, a Subscription Agreement must be executed.

Subscription Agreement.

Before non-bargaining employees can begin participating in the Plan, the employer and the Administrative Office must submit a Subscription Agreement. Please contact the Carpenter Funds Administrative Office if you want to allow your non-bargaining employees to participate.

Employer Remittance Process

New York Life has contracted with Welfare & Pension Administration Service, Inc. ("WPAS") to provide the receiving and processing services for the new NCC 401(k) Plan. Each week you will be required to remit contributions withheld from your employees' paychecks (and corresponding employer safe-harbor contributions required for non-bargaining employees covered under a subscription agreement) to WPAS.

Employers will be able to report contributions electronically or by hardcopy. However, due to the weekly reporting requirement, we strongly urge employers to report electronically. WPAS utilizes a secure on-line reporting system. Contributions may be paid via Automated Clearing House (ACH).

WPAS will transmit the funds and contribution detail to New York Life on a weekly basis. Contributions that clear their depository account by the close of business on Wednesday will appear on the contribution file sent to New York Life each Friday. Contributions will normally appear in participants' accounts at New York Life within 2-3 business days of New York Life receiving that contribution file. Participants' accounts at New York Life will reflect employer and work date detail for each contribution remitted. It is important to remit these voluntary employee contributions on a timely basis. Contributions should be remitted as soon as administratively possible after the amount is withheld but no later than the 15th business day following the month that the contribution was withheld from the participant's paycheck. However, the Department of Labor has made it clear that employers should not rely on the latter part of that condition. ***Employers should remit contributions to WPAS as soon as administratively possible after they have been withheld from the participant's paycheck to avoid penalties and excise taxes that can be assessed by the IRS and Department of Labor.***

Once every four weeks, WPAS will send employers a recap of contributions received in the last four-week period. All employees for whom you remitted contributions in the prior reporting period (prior four weeks) but for whom no contributions were remitted in the current reporting period will also be noted on that recap. You will be required to review this summary for accuracy. If you determine you failed to remit any contributions on behalf of your employees, those contributions must be remitted to WPAS immediately.

If contributions are deemed to be late, you will be required to make the participant whole, with any missed earnings that may be owed. WPAS will notify New York Life when contributions are late and New York Life will calculate the earnings owed. WPAS will then send you a billing statement for those earnings. In addition to owing the missed earnings, you will be responsible for determining with your tax advisor if you are required to file Form 5330 with the IRS, pay an excise tax, as well as go through the Voluntary Corrections Program (VCP). This is generally required when employee contributions are remitted late. You will be provided additional information on the necessary steps to be taken should this occur.

Included below, with this notice, is information detailing the remittance process, along with a Web-Site Reporting Application. Please take time to review that material and complete the application process now so that contributions may be remitted timely to the Northern California Carpenters 401(k) Plan beginning September 1, 2008.

Who to Contact

All inquiries regarding the Plan should be directed to:

Carpenter Funds Administrative Office
265 Hegenberger Road, Suite 100
Oakland, CA 94621-0180
Phone: 510-633-033 or Toll Free: 888-547-2054

Email the Benefits Department: benefitservices@carpenterfunds.com

All inquiries regarding Remittance Reporting should be directed to:

WPAS
22815nd Avenue, Suite 300
P.O. Box 34203
Seattle, Washington 98124-1203
Phone: 206-441-7574
or
Toll Free: 800-732-1121 Karen Bernett at extension 3300 or email kbernett@wpas-inc.com

