

PIPEFITTERS LOCAL UNION 195 DEFINED CONTRIBUTION FUND

**Administered by
Benefit Resources, Inc.
P. O. Drawer C
Nederland, Texas 77627
(409) 727-3533**

Dear Participants:

The Trustees are pleased to announce changes to the Pipefitters Local Union No. 195 Defined Contribution Fund (the "Fund") regarding Hardship Withdrawals available through your Defined Contribution Trust Fund. Effective January 1, 2010, if you are a participant of the Fund, you may apply for a hardship withdrawal.

The Hardship Withdrawal is available only if the purpose is to meet an immediate and significant financial need and that you do not have other resources available to obtain funds.

You may request an amount up to the sum of (a) plus (b), provided that the total amount does not exceed the amount that you need for the hardship.

- (a) 50% of the Employer portion of your Individual Account, plus
- (b) 100% of the Employee portion of your Individual Account.

You will be allowed one election of a Hardship Withdrawal from this Fund, even if you did not receive the maximum amount allowed for withdrawal.

For example, if your Individual Account is valued at \$20,000, and your Employer portion is \$15,000, you may not request more than \$12,500 ($50\% \times \$15,000 + 100\% \times \$5,000$). If you request a Hardship Withdrawal of \$7,000, you cannot make a second request of \$5,500.

Please note that the Hardship Withdrawal is a taxable distribution and is subject to regular income tax and 20% withholding, plus the 10% early withdraw penalty tax if you are younger than age 59 1/2 . It is not a loan and cannot be repaid to your account. The Hardship Withdrawals are subject to the following rules:

The Hardship Withdrawal can be used if you have a hardship, which is defined as an immediate and heavy financial need and includes any of the purposes for which loans are currently available. These include:

- Expenses because of sickness or injury not reimbursable or partially reimbursable by any benefits payable from the Health Fund.
- Funeral and air travel expenses incurred by you because of the death of an immediate family member, including your spouse, parents, siblings or children.

- Expenses incurred in connection with the payment of tuition and/or room and board to maintain a dependent child in an educational institution on a full-time basis, or at a school or institution for physically or mentally handicapped children, or for the payment of tuition for educational purposes for you or your spouse.
- The purchase or repair of a house, or a cooperative or condominium apartment which will be used as your primary or secondary residence. Down payment, contract and title expenses are included in this provision.
- Expenses necessary to avoid your threatened eviction or foreclosure on your residence.
- Legal expenses incurred by you or your dependents, or to meet court mandated payments, such as alimony or child support, payable by you.
- Paying the remainder of a mortgage on your primary residence (limited to once per lifetime).
- Hardship due to involuntary economic conditions.
- Qualified Reservist Distribution - A distribution from the 401(k) account may be made to an individual called to active duty in the Reserves or National Guard, provided the following requirements are met:
 - You are called to active duty on or after September 11, 2001, for a period exceeding 179 days,
 - Your request for the distribution is made during the period beginning on the date of the call-up order and ending at the close of the active duty period.
 - You may apply for a Hardship Withdrawal of the elective deferrals in the Individual Account. These distributions are exempt from the 10% early withdrawal penalty tax.

The Trustees understand that in these tough economic times, this rule change will help participants with financial hardship get access to some of their Defined Contribution Trust Fund balance during such times of difficulty. However, you should always keep in mind that hardship withdrawals carry the negative tax consequences (i.e., current taxation and a possible penalty tax) that was described above. For that reason, you need to think very carefully about whether to take a hardship withdrawal, and may wish to consult a tax or financial advisor before doing so.

If you have any questions regarding the information in this notice, please do not hesitate to contact the Fund Office.

Sincerely,

The Board of Trustees