

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS LOCAL 150
FRINGE BENEFITFUNDS

EMPLOYER HANDBOOK

January 2015

**IMPORTANT NOTICE TO ALL EMPLOYERS CONTRIBUTING
TO:**

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
LOCAL 150 WELFARE FUND**
(the "Welfare Fund")

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
LOCAL 150 PENSION FUND**
(the "Pension Fund")

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
LOCAL 150 SUPPLEMENTAL PENSION FUND**
(the "Supplemental Pension Fund")

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
LOCAL 150 APPRENTICESHIP AND TRAINING FUND**
(the "Apprenticeship and Training Fund")

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
LOCAL 150 VACATION FUND**
(the "Vacation Fund")

(collectively referred to as the "Funds" or the "International Brotherhood of Electrical
Workers Local 150 Fringe Benefit Funds")

The Funds are managed by the following third-party administrator
on behalf of the Funds' Boards of Trustees ("Fund Office"):

UMR
230 Lexington Green Circle Ste 400
Lexington KY 40503
(888) 999 - 7741
FAX (859) 226 - 1191
Website: <http://www.ibew150benefits.org>

TABLE OF CONTENTS

<u>Subject</u>	<u>Page</u>
INTRODUCTION	4
WILL THE FUNDS ACCEPT YOUR CONTRIBUTIONS?	4
HOW DO YOU CONTRIBUTE TO THE FUNDS?	4
"BONUS"	5
FOR WHICH EMPLOYEES MUST CONTRIBUTIONS BE MADE?	5
WHEN ARE CONTRIBUTIONS DUE?	6
WHAT HAPPENS WHEN PAYMENTS ARE LATE?	6
WHAT HAPPENS IF YOUR CHECK DOES NOT CLEAR?	6
WHY DO THE FUNDS REQUIRE AUDITS OF PAYROLL RECORDS?	6
WHAT HAPPENS WITH THE AUDIT RESULTS?	7
WHAT OTHER AMOUNTS MAY BE ASSESSED?	7
RECIPROCITY	7
HOW CAN I AVOID CERTAIN COSTLY MISTAKES?	8
OTHER DOCUMENTS AVAILABLE AT NO CHARGE	9
LOCAL UNION/ASSOCIATION INFORMATION	9

DISCLAIMER

THIS HANDBOOK IS NOT A CONTRACT. IT IS NOT INTENDED TO GIVE LEGAL ADVICE REGARDING YOUR OBLIGATIONS UNDER THE TRUST AGREEMENTS, OTHER PLAN DOCUMENTS, COLLECTIVE BARGAINING AGREEMENTS, PARTICIPATION AGREEMENTS OR REGARDING ANY OTHER MATTERS. YOU SHOULD CONSULT WITH YOUR ATTORNEY IF YOU WISH TO RECEIVE LEGALADVICECONCERNING THESE MATTERS.

INTRODUCTION

The Boards of Trustees ("Trustees") of the International Brotherhood of Electrical Workers Local 150 Fringe Benefit Funds are pleased to provide you with this Employer Handbook. This handbook is intended to provide a summary of the Funds' rules and regulations regarding Employer contributions. Every effort has been made to ensure the accuracy of the information contained herein. However, if information included in this handbook differs from the provisions contained in the applicable Fund documents and/or Collective Bargaining Agreements/Participation Agreements, the terms and conditions of the Fund documents and/or Collective Bargaining Agreements/Participation Agreements will prevail.

WILL THE FUNDS ACCEPT YOUR CONTRIBUTIONS?

In compliance with federal law, the Funds monitor the incoming contributions to make sure that *every* contributing Employer has a written agreement, detailing the basis on which contributions shall be made. If you, as an Employer, are not a signatory to an agreement that requires contributions to the Funds, your contributions will be held in escrow and cannot be credited to your employees. During the time in which your contributions are being held in escrow, the International Brotherhood of Electrical Workers Local 150 ("Local Union"), your employees and your company will be notified that there is no record of an agreement on file with the Fund Office and that a copy of a fully-executed agreement must be provided before the contributions can be credited.

HOW DO YOU CONTRIBUTE TO THE FUNDS?

Enclosed with this handbook is a sample Monthly Payroll Report Form ("MPR") for each type of work (e.g., Inside, Residential, VDV, etc.).

As an Employer, you are required to file an MPR for each work month during which you are a signatory to a Collective Bargaining Agreement or Participation Agreement, regardless of whether you employ persons during that work month who perform work covered by the Collective Bargaining Agreement or Participation Agreement. An MPR must be filed even if zero hours are reported (e.g., a permit is requested from the Local Union and no hours are worked). Your failure to provide an MPR as required may result in a \$100 Late Payment Assessment (LPA) being issued to you, as an Employer. You are responsible for obtaining and filing monthly **MPRs**.

If you fail to file an MPR or fail to pay contributions due, you will be included on the Employer Delinquency List report, which is issued on a monthly basis. This report will be provided to the Local Union and the Labor Management Cooperation Committee ("LMCC"). The LMCC and/or Local Union shall then notify the surety bond provider of your delinquent status under the Master Bond Program and/or stand-alone bond.

If you no longer employ Participants performing covered work or did not perform covered work during a reporting month, please check the appropriate box on the MPR and submit the MPR in the same manner as if you were submitting contributions. If you fail to complete the MPR accurately, you may be reported as a delinquent Employer. The Fund Office will then be properly notified that your company does not owe contributions for that reporting month and you will not be reported as a delinquent Employer.

Please report only one month's contributions on each MPR. Eligibility for welfare benefits is based on the number of hours worked in a given month. If you have any questions about the MPR, please contact the Fund Office.

The MPR and your contribution check must be received by the Fund Office by the 15th day of the month following the month in which the covered work was performed. You should retain a copy of the MPR for your records and send a copy to the Local Union. Please mail the MPR and your contribution check to the depository bank at the following address:

IBEW Local 150 Fringe Benefit Funds
P.O. Box 7126
Carol Stream, IL 60197-7126

"BONUS"

Employers shall pay contributions to the Funds on all gross productive earnings of a Participant in accordance with the Collective Bargaining Agreement or Participation Agreement. A Participant's "gross productive earnings" shall not include the amount of any bonus paid to him or her. A "bonus," for this purpose, means a single sum payment in excess of a Participant's customary wage rate, issued not more often than twice in any plan year and separated by at least six months from the previous such single sum payment.

FOR WHICH EMPLOYEES MUST CONTRIBUTIONS BE MADE?

Contributions must be paid on behalf of each of your employees who perform covered work under the Collective Bargaining Agreement or Participation Agreement, including part-time employees, temporary employees and students, and regardless of whether the employee is a relative of the owner, a corporate officer or shareholder, or is not a member of the Local Union. If an employee performs covered work for you, contributions must be made. This requirement applies to the first hour worked by the employee. There is no probationary period.

Contributions must be remitted for each hourly employee based on the number of hours worked by such employee. The current contribution rates are set forth in the Collective Bargaining Agreement or Participation Agreement or may be obtained from the Local Union. You are responsible for paying the current contribution rates.

Participants who are self-employed as sole proprietors or partners performing covered work must remit contributions on their own behalf to all Funds listed in the Collective Bargaining Agreement or Participation Agreement except the Pension Fund and the Supplemental Pension Fund. Under the Internal Revenue Code, the Pension Fund and the Supplemental Pension Fund are prohibited from allowing sole proprietors or partners of unincorporated businesses to accrue benefits based upon work performed for a company they own. Therefore, owners who operate as sole proprietors or partners of unincorporated businesses are not required or permitted to contribute to the Pension Fund or the Supplemental Pension Fund on behalf of themselves.

"Owner in Fact" Employers shall pay contributions to the Funds based on the gross wages for the hours worked under the applicable Collective Bargaining Agreement or Participation Agreement. However, at a minimum, the Owner in Fact Participant shall contribute to less than 1,750 hours to the Welfare Fund. Please refer to the applicable Collective Bargaining Agreement or Participation Agreement.

WHEN ARE CONTRIBUTIONS DUE?

Contributions are due no later than the 15th day of the month following the month in which the covered work was performed. If contributions are received by the depository bank after the 15th day of the month in which contributions are due, you will be subjected to LPAs as described below. Late payments may also adversely affect your employees' eligibility for health care benefits.

WHAT HAPPENS WHEN PAYMENTS ARE LATE?

If your contributions are not received by the depository bank when they are due, liquidated damages in the form of LPAs will be charged. The LPAs are determined by the Trustee and shall be assessed immediately against delinquent Employers at the rate of \$100 or 10% of the delinquent contribution amount, whichever is greater. The LPA shall represent the administrative cost of handling the delinquency. In addition, compound interest shall be assessed on all delinquent contributions, including any prior interest which remains unpaid, at the rate of 1% for each month, or part thereof, that a contribution is delinquent. Delinquent Employers shall also reimburse the Trustees for the actual expenses (including attorneys' fees, if any) incurred in connection with the delinquent contribution or MPR.

If you are delinquent for two consecutive months or longer, you may lose your eligibility to participate in the Master Bond Program established by the LMC Card will be required to post a Surety Bond from an outside insurance contractor.

WHAT HAPPENS IF YOUR CHECK DOES NOT CLEAR?

The Funds charge a \$50 fee for reprocessing checks that are returned due to insufficient funds. Payment of the \$50 fee must be included with the replacement contribution check, which must be made by guaranteed funds (i.e., money order, cashier's check, certified check, etc.) LPAs will also be charged if the replacement contribution check is provided to the depository bank after the contribution due date.

WHY DO THE FUNDS REQUIRE AUDITS OF PAYROLL RECORDS?

The Funds have implemented a routine payroll audit program under which each Employer is audited periodically to determine the accuracy of the MPRs and contributions submitted to the Funds. Payroll audits are normally scheduled once every three years and are performed by Fund representatives. New signatory Employers are audited within two years of signing a Collective Bargaining Agreement or Participation Agreement. Payroll audits may be scheduled more frequently if the Trustees believe that payments are not being remitted in accordance with the Collective Bargaining Agreement or Participation Agreement, or the Trustees receive notice that an Employer is in bankruptcy, receivership, liquidation or going out of business.

When your company is selected for an audit, you will receive written notification from the Funds' auditing staff. If the time or date selected by the auditing staff is not convenient, please contact the Fund Office to schedule a mutually convenient appointment.

You, as an Employer, granted the Trustees the right to perform these audits through reference to the Funds' Trust Agreements in the Collective Bargaining Agreement or Participation Agreement you entered into with the Local Union or the Trustees (e.g., see section 11-S(f) of the Trust Agreement for the Pension Fund).

WHAT HAPPENS WITH THE AUDIT RESULTS?

You will be notified, in writing, of the results of the payroll audit. If you believe that your audit results are incorrect, you must provide objections to the audit, in writing, by certified or registered mail to the Fund Office. Your objection must be received no **later than 30 days after the date of the audit billing letter**. The Trustees will review your objection and will notify you, in writing, of their decision.

WHAT OTHER AMOUNTS MAY BE ASSESSED?

AUDIT ASSESSMENTS, INTERESTS AND AUDIT COSTS

Whenever a payroll audit discloses a delinquency, the Employer must pay the delinquent contributions. The following rules shall also apply:

- 1) The cost of the audit shall be waived if the amount of the delinquent contributions is less than \$500;
- 2) The cost of the audit shall be assessed against the Employer if the amount of the delinquent contributions equals or exceeds \$500;
- 3) Liquidated damages (i.e., LPAs) shall be assessed at the rate of \$100 or 10% of the amount of the delinquent contributions, whichever amount is greater. Compound interest at the rate of 1% shall be assessed on all delinquent contributions due, including any prior interest which remains unpaid, for each month, or portion thereof, that a contribution is delinquent.

ATTORNEYS' FEES AND COSTS

Whenever the Trustees litigate a delinquency, they shall seek and are entitled to recover all attorneys' fees and costs available under 29 U.S.C. § 1132 of ERISA, as well as the delinquent contributions, any interest and LPAs.

RECIPROCITY

Employers are required to make contributions precisely in accordance with the terms of the Collective Bargaining Agreement or Participation Agreement in effect in the geographic location in which covered work is performed. This includes the requirement that contributions be paid to fringe benefit funds other than the "home" funds of employees. The Funds have reciprocity agreements with other fringe benefit funds and all qualifying contributions shall be transferred pursuant to such reciprocity agreements. The Funds are required by Federal law to collect the contributions that are due to them. Therefore, if you pay contributions to any other fringe benefit funds that are instead due to the International Brotherhood of Electrical Workers Local 150 Fringe Benefit Funds, you face the possibility

of paying contributions twice. **It is the responsibility of the Employer to report contributions to the correct fund.**

HOW CAN I AVOID CERTAIN COSTLY MISTAKES?

- Do not put "fringe benefit contributions" in your employees' paychecks. You remain obligated to contribute to the Funds and you may end up paying twice.
- Do not enter into any agreement other than your Collective Bargaining Agreement or Participation Agreement that requires payment of fringe benefit contributions. A business agent, even if he or she is a member of the Funds' Boards of Trustees, cannot change or modify the Collective Bargaining Agreement or Participation Agreement concerning fringe benefits or any other written agreement requiring contributions.
- Make sure that you remit contributions precisely as required by the Collective Bargaining Agreement or Participation Agreement in effect in the geographic location in which your employees perform covered work. **Do not remit contributions or other amounts to "home" funds if they are not due to the "home" funds.** Rather, always remit contributions as required in the applicable Collective Bargaining Agreement or Participation Agreement. **If you fail to remit contributions to the appropriate funds, you maybe required to pay the contributions twice.**
- Be aware that referring to an employee as a subcontractor does not relieve you of your obligation to remit fringe benefit contributions to the Funds on his or her behalf.
- Do not provide alternative benefits for employees covered by the Collective Bargaining Agreement or Participation Agreement. This will not relieve you of the obligation to contribute to the Funds and you may end up paying more than required.
- Contact the Fund Office for assistance if you are uncertain about anything contained herein or want additional information.
- Keep records showing hours of work performed as covered work separately from records showing hours of work performed as non-covered work.
- Contact the Local Union if you are unsure of the current contribution rates. Upon request, the Local Union will forward the current wage and fringe benefit summary for the applicable Collective Bargaining Agreement or Participation Agreement.

Be aware that each of the Funds are jointly administered by an equal number of management and labor Trustees. The management Trustees are Employers, like you, appointed by the National Electrical Contractors Association (NECA). The labor Trustees are appointed by the Local Union.

OTHER DOCUMENTS AVAILABLE AT NO CHARGE

Summary Plan Descriptions ("SPDs") are available for the Welfare Fund, Vacation Fund, Pension Fund and Supplemental Pension Fund. Contribution forms (MPRS) are available for all Funds. An SPD is a description of benefits presented in a manner that is understandable to the average person. ERISA requires most types of benefit plans to prepare and distribute an SPD.

CONTACT INFORMATION

LOCAL UNION:

IBEW Local 150
31290 N. US Highway 45
Libertyville, IL 60048

(847) 680-1504
(847) 680-0122 FAX

EMPLOYER ASSOCIATION:

NECA
31 W. 007 North Avenue
Suite 100
West Chicago, IL 60185

(630) 876-5360
(630) 876-5364 FAX