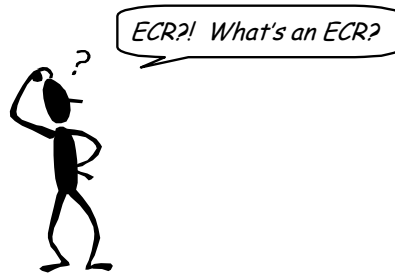


Employer Contribution Guide



ALASKA ELECTRICAL TRUST FUNDS

Welcome aboard!

This guide is intended for signatory employers for use in preparing their monthly contribution reports.

The Alaska Electrical Trust Funds (Trust Funds) collect contributions from employers and administers retirement, legal, health, and disability benefits to eligible participants. Trustees from employers and from the union oversee the Trust Funds. We are here to assist both employers and participants.

The Alaska Electrical Trust Funds are highly regulated because they are multi-employer plans. The Trust Funds must comply with Federal labor law, the Employee Retirement Income Security Act (ERISA), and the Internal Revenue Code. To comply with these complex regulations, the Trust Funds must collect contributions in a very specific and timely manner.

Many of the collection and reporting procedures may be difficult to understand. For this reason we invite employers to call with questions they might have about reporting. However, each employer is ultimately responsible for complying with the terms of its collective bargaining and special agreements. If at any time you have any questions, we welcome your call. We can be reached at (907) 276-1246.

Again, welcome aboard, we look forward to working with you.

Sincerely,

/S/

Gregory R. Stokes
Administrator

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PROCEDURES

General

After an employer signs an Agreement or Letter of Assent to an IBEW/NECA collective bargaining agreement, blank Employer Contribution Report (ECR) forms will be mailed to the employer. The person preparing the contribution report will write in names and rates on the first monthly form. Within one or two months you will receive contribution report forms that have pre-printed names and rates on them. Please use blank forms any time you do not receive the pre-printed forms early enough to file your reports by the due date.

The Trust Funds has developed an electronic reporting form in an effort to make processing of the contribution reports more efficient. The electronic form (template) is an Excel spreadsheet that can be sent to the Trust Funds by e-mail each month. The template has worksheets for each of the different collective bargaining and special agreements you may have. It also includes a summary sheet that totals all monies from each report and a documentation sheet for messages, questions, or notes. Employers are strongly encouraged to take advantage of this form of reporting. Employers may also submit an ASCII contributions file to the Trust Funds. Please contact Kim Stephens at the Trust Offices for details on electronic reporting.

Submitting Eligibility Rosters or Prelist Reports for Monthly H&W

A report listing all of the employees who have already earned a H&W contribution in the current month (and will therefore be covered the following month) must be submitted to the Trust Funds by the 25th of the month. Reporting H&W eligibility on the 25th is only for employees whose contributions are a flat monthly rate.

Employees whose H&W contributions are an hourly rate should not be included on this report.

Only eligibility is reported on the 25th, payment should be submitted by the 15th of the following month along with the regular employer contribution reports.

Employers may prepare their own report (an eligibility roster) or receive a prelisted report (based on prior month eligibility) prepared by the Trust Funds. Employers receiving a prelist report will need to add newly eligible employees and delete those employees that are not eligible. Employees that have not yet earned eligibility, such as part-time or newly hired employees, may be reported to the Trust Office anytime after they have earned eligibility or with the regular contribution reports submitted on the 15th.

Submitting monthly H&W eligibility reports should be done via fax or e-mail, given the time constraints.

Submitting Remittances

The employer contribution report forms and payment for those contributions are due on or before the 15th of the following month. For example, the report forms and contributions for hours worked in January are due February 15th. Payments which are postmarked on or before the 15th which are *also* received by the fifteenth business day are considered timely as well.

Please mail your firm's contributions directly to:

AETF – Remit
2600 Denali Street, Suite 200
Anchorage, AK 99503-2782

Electronic funds transfer, via ACH, is also available, please contact Linda Mattoon at the Trust Offices for account and routing information.

Avoiding Delinquency

An employer whose payment is not received by the 15th, or postmarked by the 15th *and* received by the fifteenth business day, is considered delinquent and is assessed liquidated damages at the rate of ten percent of the total contribution due (in other words, they are charged a late fee). In addition to liquidated damages, interest accrues from the date due to the date paid at the rate of twelve percent per annum.

Federal regulations require the Trust Funds to collect liquidated damages and interest so we urge employers to file and pay their contributions in a timely manner. Delays in receiving reports and contributions also cause gaps in the Health and Welfare coverage for employees, resulting in considerable hardship for your employees.

Receiving Credit for Overpayment of Contributions

To simplify contribution reporting and payment, the Trust Funds collect contributions for all of the funds they administer and for funds administered by other organizations. The Trust Funds can only issue credit for over payment of contributions for the following funds that they administer:

- Health and Welfare
- Legal
- Pension
- Money Purchase Plan
- AJEATT

The Trust Funds cannot issue a refund for a health and welfare over payment if the participant has already been extended coverage. The Trust Funds also cannot refund an over payment to the money purchase plan if the participant has withdrawn the funds.

Please contact the Alaska Chapter NECA office to receive credit for over payments to the following funds:

- NEBF
- NECA
- LMCC
- AMF

Collective Bargaining Agreements

Your firm may be signatory to one or more collective bargaining agreements. Benefit contribution rates vary according to which collective bargaining agreement the reported employees worked under. Many employees work under one of several IBEW/NECA agreements, such as the Inside Agreement, the Outside Agreement, the Residential or the Industry Support Agreement.

Special Agreements

Special agreements are direct agreements between the Trust Funds and an employer to provide benefits for eligible personnel who are not covered by a collective bargaining agreement.

Using an Employer Number

Employers are assigned employer numbers by the Trust Funds. Each employer number is for a specific contribution rate. This number is unique to the employer, the agreement, and the contribution rate.

If your firm employs apprentices then it will have additional employer numbers, even though the apprentices may be working under the Inside or Outside Agreement. This is because apprentices have different pension and money purchase contribution rates and each employer number is for a specific contribution rate. If your firm needs another employer number please contact the Trust Funds.

Reporting Hours

Many of the benefits employees receive from the Trust Funds are based on the hours reported. Depending on which agreement the employees are working under, you will need to report either the hours *worked* or *compensable* hours. Some agreements require reporting compensable hours, which includes leave hours used and leave hours cashed-in. After examining your agreement, if you are unsure about which hours your firm should be reporting, please call the Trust Funds.

Reporting Gross Earnings

Union dues, NECA, and NEBF contributions are calculated as a percentage of gross earnings, which consists of all hourly compensation paid to the employee. Payments for leave cashed-in and travel pay are also included in gross earnings.

Examples of amounts which should be not be reported as gross earnings are: reimbursements for employee expenses, such as per diem or vehicle allowance; safety bonuses; and Christmas bonuses. Please contact the IBEW Dues Office if you are unsure whether or not an item should be reported.



Tip: Gross wages reported to the IRS differ from gross earnings reported to the Trust Funds and the State of Alaska Employment Security Division. The IRS considers the Legal Fund contributions your firm pays on behalf of your employee taxable income. Therefore, annual W-2 statements should include all of the Legal Fund contributions you paid on behalf of the employee for that tax year.

Please contact your accountant for further details.

Determining Report Months

It is impractical to report the gross earnings and hours actually worked in the calendar month. Trying to split pay periods at the month's beginning and end is too time consuming and error prone. Employers may choose between reporting by the check date or pay period ending date method.

When using the pay period ending date method, all pay periods which end in the calendar month are included. When using the check date method, all payroll checks dated in the calendar month are included. Most employers find it simplest to use the check date method. Although either method is approved, one method must be used consistently throughout the year. Switching between methods causes some weeks to be reported twice and others to be omitted completely.



Tip: Mark your planned report months in advance. Mark all planned payroll check dates (or pay period ending dates) on a yearly calendar, then mark which payroll check dates (or pay period ending dates) will belong in which report months.

Accumulating Withholdings

For contributions that are withheld from employees' paychecks, such as union dues or voluntary money purchase, we strongly recommend accumulating these amounts on a spreadsheet if your payroll system is unable to generate a monthly report. Occasionally a different amount will have been withheld or perhaps nothing was withheld; then, when the employer calculates the amount due based on the gross earnings reported, the employer ends up paying more than was withheld.

Reporting for Apprentices

Under many of the collective bargaining agreements, apprentices have different pension and money purchase contribution rates than journeymen. Apprentices under the Inside Agreement have fixed rates for their pension and money purchase contributions. Their contribution rates remain the same regardless of their apprentice wage percentage. Please refer to your agreement for current contribution rates.

Under the Outside Agreement, apprentices always receive a percentage of journeymen pension and money purchase contributions. For example, a 65% apprentice should be reported at 65% of the current journeymen's pension and money purchase contribution rates. All other benefits are the same under the Outside Agreement.

It is very easy to report an apprentice under the wrong employer number and pay the wrong contribution rate because an apprentice's percentage level is constantly changing. Remember to call the Trust Funds if your firm needs another employer number.

Tip: Examine very closely the latest apprentice memorandum from the Apprenticeship School, it will state the date the apprentice indentured. Remember, under NECA Agreements, apprentices cannot be reported on the same form as journeymen since they should be reported at different pension and money purchase contribution rates.



Reporting Job Status

A Job Status Report is filed along with the employer contribution reports each month when your organization is delinquent. The name of the job, the name of the general contractor, the name of the project owner and the status of the job shall be listed. Only jobs performed for a government entity or jobs with a total value of \$5,000 or more need to be reported. The job status filing requirement may be waived when an employer is reporting timely.

Standard/Random Audits

Each year the Trust Funds must perform audits of employer contributions to comply with the regulations that govern multi-employer plans. Between 25 and 35 employers are selected each year to be audited. The Trust Funds' auditors examine employer payroll records to ensure that all hours and gross earnings were properly reported under the appropriate agreement. Other documents and records may be examined as needed. This type of audit was previously known as a "random audit".

Payment for an audit finding which is not postmarked or received thirty days from the date of the audit finding letter is considered delinquent. Liquidated damages and interest for delinquent audit findings will be charged in the same manner as for delinquent monthly contributions.

CONTRIBUTIONS

Withholding Union Dues

When authorized by an employee, monthly and working Union dues are deducted from the employee's earnings and submitted with benefit contributions to the Trust Funds. Please do not include legal contributions in the gross wages used to calculate dues. If you are unsure whether an item should be included in gross earnings, please contact the IBEW Dues Office at (907) 272-6571.

Withholding P.A.C. Voluntary Employee Contributions

An employee may elect to contribute to the IBEW Political Action Committee (PAC). This voluntary deduction is withheld from the employee's earnings and submitted with other monthly contributions to the Trust Funds. To participate, the employee must provide the employer with a signed form authorizing the deductions. Please check your current agreement for contribution rates.

Withholding IBEW Hardship and Benevolent Fund Contributions

Many collective bargaining agreements call for each covered employee to contribute to the IBEW Hardship and Benevolent Fund (IHBF). This voluntary deduction is based on hours and is withheld from the employee's earnings and submitted with other monthly contributions to the Trust Funds.

Contributing to the Health and Welfare Fund

Under the IBEW/NECA agreements, Health and Welfare contribution rates are per hour. For some collective bargaining agreements, hours are capped at a predetermined level.

Contributions for Health and Welfare under the Special Agreements and some of the other collective bargaining agreements are a flat monthly rate. Eligibility for a monthly health and welfare contribution varies by agreement. Some agreements require a contribution if the employee worked one hour. Other agreements require the employee to have worked a minimum number of hours. Please examine your agreement and if you still have questions regarding rates or eligibility, call the Contributions Supervisor at the Trust Funds.

Monthly H&W contributions for a given month buy coverage for the following month. i.e. the monthly contributions for hours worked in January purchase February coverage. Since January contributions are not due until February 15th, it is necessary to report the employees that have earned a January contribution to the Trust Funds by

January 25th. This is so the Trust Funds can quote H&W benefits for those employees on February 1st. Please review “Submitting Eligibility Rosters or Prelist Reports for Monthly H&W” on page 1.

Contributing to the Legal Fund

Under the IBEW/NECA agreements, legal fund contribution rates are per hour. For Special Agreements and some of the other collective bargaining agreements, legal contributions are a monthly rate. Eligibility for a monthly legal contribution varies according to agreement. Some agreements require a contribution if the employee worked one hour and other agreements require the employee to have worked a minimum number of hours. After examining your agreement, if you are unsure about legal rates or eligibility, please call the Contributions Supervisor at the Trust Funds.

Contributing to the Pension Fund

Under the IBEW/NECA agreements, pension contribution rates are per hour. Apprentices under the Inside and Outside agreements should be reported at a different rate than journeymen. Please examine closely the latest apprentice memorandum from the Apprenticeship school. Remember, since journeymen and apprentices have different pension rates, they cannot be reported on the same forms.

For Special Agreements, the pension contribution rate may be based on a percentage of gross wages or an hourly rate. If contributing on a percentage of gross wages, all employees are credited with 173.33 hours for vesting purposes regardless of actual compensable hours (all paid hours).

For Special Agreements with an hourly contribution rate, the number of hours to be reported is fixed at 173.33 hours per month for salaried employees and owners. If a salaried employee who has established eligibility works one hour during the report month under the Special agreement, their pension contribution is based on 173.33 hours. For employees that are paid hourly, the hours reported for pension contributions may either be actual compensable hours or fixed at 173.33 per month. Please see your Special Agreement for details. After examining your agreement, if you are unsure of rates or employee eligibility, please call the Contributions Supervisor at the Trust Funds.

Contributing to the Money Purchase Plan

Under the IBEW/NECA agreements, Money Purchase contribution rates are per hour. Apprentices under the Inside and Outside agreements should be reported at a different rate than journeymen. Please examine closely the latest apprentice memorandum from the Apprenticeship school. Remember, since journeymen and apprentices have different money purchase rates, they cannot be reported on the same forms.

For Special Agreements, the money purchase contribution rate may be based on a percentage of gross wages or an hourly rate. For Special Agreements with an hourly contribution rate, the number of hours to be reported is fixed at 173.33 hours per month for salaried employees and owners. If a salaried employee who has established eligibility works one hour during the report month under the Special Agreement, their money purchase contribution is based on 173.33 hours. For employees that are paid hourly, the hours reported for money purchase contributions may either be actual compensable hours or fixed at 173.33 per month. Please see your Special Agreement for details. After examining your agreement, if you are unsure of rates or employee eligibility, please call the Contributions Supervisor at the Trust Funds.

Withholding Employee Voluntary Money Purchase Plan Contributions

Many of the collective bargaining agreements provide for employees to voluntarily contribute to their money purchase plan accounts. The voluntary contribution is withheld from the employee's wages after taxes and is not tax deductible. The employee must provide the employer with a signed form authorizing the deductions and stating the percentage of gross earnings to be withheld.

Contributing to the Alaska Joint Electrical Apprentice Training Trust

Under most collective bargaining agreements, the contribution rate to the Alaska Joint Electrical Apprentice Training Trust (AJEATT) is per hour. For AJEATT questions or refunds please contact the Contributions Supervisor at the Trust Funds.

Contributing to the National Electrical Benefit Fund (NEBF)

Under the IBEW/NECA agreements, contributions to the NEBF are based on gross earnings. For NEBF questions or refunds please contact the NECA Office at (907) 561-1958.

Contributing to the National Electrical Contractors Association (NECA)

Under the IBEW/NECA agreements, employers that are members of the Alaska Chapter NECA, make contributions to NECA based on gross earnings. For NECA questions or refunds please contact the NECA office at (907) 561-1958.

Contributing to the Labor-Management Cooperative Committee (LMCC)

Under the IBEW/NECA agreements, contributions for the Labor-Management Cooperative Committee are based on hours. For LMCC questions or refunds please contact the NECA office at (907) 561-1958.

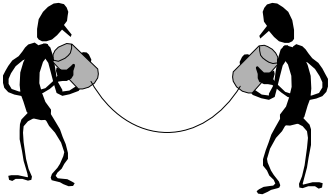
Contributing to the Administrative Maintenance Fund (AMF)

Under the IBEW/NECA agreements, contributions for the Administrative Maintenance Fund are based on hours. For AMF questions or refunds please contact the NECA office at (907) 561-1958.

Contact List

- | | |
|---|--|
| <ul style="list-style-type: none"> • Union Dues • Gross Wages | <p>Ms. Liz Larson
IBEW Dues Office
(907) 272-6571</p> |
|---|--|

- | | |
|---|--|
| <ul style="list-style-type: none"> • NECA • NEBF • AMF • LMCC | <p>Ms. Michelle Maxon
Alaska Chapter, NECA
(907) 561-1958</p> |
|---|--|



- | | |
|--|---|
| <ul style="list-style-type: none"> • Contribution Rates • Special Agreements • Employer Numbers • H&W, Legal • Pension, Money Purchase | <p>Ms. Kim Stephens
Alaska Electrical Trust Funds
(907) 276-1246, ext. 262</p> |
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- | | |
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| <ul style="list-style-type: none"> • Electronic Reporting • Templates | <p>Ms. Tanya Hayden
Alaska Electrical Trust Funds
(907) 276-1246 ext. 230</p> |
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- | | |
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| <ul style="list-style-type: none"> • Apprentices | <p>Ms. Jackie Moua
Apprenticeship and Training School
(907) 337-9508</p> |
|--|---|

Glossary

AETF - abbreviation for the Alaska Electrical Trust Funds. AETF consists of the following funds: Alaska Electrical Health and Welfare Fund, Alaska Electrical Legal Fund, Alaska Electrical Pension Fund, and the Alaska Joint Electrical Apprenticeship and Training Trust.

Agreement - a collective bargaining agreement between IBEW Local 1547 and the employer.

AJEATT - the Alaska Joint Electrical Apprentice Training Trust.

AMF - the Administrative Maintenance Fund. This fund is maintained by the Alaska Chapter of NECA.

Compensable Hour – any hour for which an employee receives payment. This includes cash-in of leave, vacation hours, stand-by time, etc.



ECR - abbreviation for Employer Contribution Report, the form submitted monthly to the Trust Funds to report the gross earnings and hours of your firm's employees.

Employer – a company signatory to a collective bargaining agreement with IBEW Local 1547 and/or a Special Agreement with the Trust Funds.

Liquidated Damages - a predetermined late fee charged to employers when their report and contributions are received late. Liquidated damages are 10% of the total amount of contributions due.

LMCC - abbreviation for the Labor-Management Cooperative Committee. This fund is maintained by the Alaska Chapter of NECA.

NEBF - National Electrical Benefit Fund.

NECA - National Electrical Contractors Association.

Participant - a person who is eligible for any of the benefits administered by the Trust Funds.

Special Agreement - an agreement between an employer and the Trust Funds to provide benefits for non-bargaining unit personnel.

Trust Funds - the Alaska Electrical Trust Funds.

Frequently Asked Questions

- ? Do I need to file a report when no union employees worked?** Yes, please mark the form “No Employees” and file the report no later than the 15th of the following month. Otherwise, your firm is considered delinquent.
- ? Our payroll system prints out a “Union Report” with the same information that is on the employer contribution report form. Do I have to write it on the form?** No, a payroll system report is fine as long as it contains the necessary information. Please attach four copies of the printout and write only the totals on the contribution report form.
- ? Do I need to report retroactive pay adjustments?** Yes, even though the employee may have earned the money in a prior report month, all gross earnings received are to be reported when the employee receives them.
- ? We no longer work under a particular agreement, can we stop the forms from coming every month?** Yes, contact the IBEW Hall and request a “Removal Notice” or “Stop Card”. The Hall will formally notify the Trust Funds that you are inactive.
- ? What’s a standard audit and why am I being audited?** The Trust Funds must perform audits to comply with the regulations that govern multi-employer plans. Every year a number of employers are selected to be audited. This type of audit was previously known as a “random” audit. A maintenance audit may be performed if the employer is delinquent or if there is reason to believe contributions are not being made properly. During an audit your payroll records, and other records as needed, will be examined by the Trust Funds’ auditors.
- ? I just received a credit for an over payment, how do I use it?** Please sum the contributions due from all of your ECRs and reduce your check by the amount of the credit. You must mail back the crediting ECR with your other ECRs the month you use the credit.
- ? How do I find the most current contribution rates?** Please examine the most recent copy of your agreement. If you need a copy or need to verify that you have the most recent agreement, please contact the IBEW Hall.

Appendix A

Collection Procedures

INTRODUCTION

The following Collection Procedures have been adopted by the:

- Alaska Electrical Pension Fund
 Alaska Electrical Pension Plan
 Alaska Electrical Workers Money Purchase Pension Plan
- Alaska Electrical Health and Welfare Fund
- Alaska Electrical Legal Fund
- Alaska Electrical Joint Apprenticeship and Training Trust

hereinafter called the Trust Funds, for the purpose of providing sound and efficient administrative procedures to facilitate the collection of employer contributions. Authority for the Collection Procedures is set forth in the Collective Bargaining Agreements and Declarations of Trust for each Trust Fund by and between the International Brotherhood of Electrical Workers Local Union #1547 (IBEW), and various signatory employers.

Contributing employers are signatory to Collective Bargaining Agreements. There are also Special Agreements between the Trust Funds and employers which bind such employers to make contributions to the Trust Funds for employee benefits. All agreements are on file with the Administrative Office of the Trust Funds and are available for inspection.

OBJECTIVES

The purpose of these procedures is to accomplish the following objectives:

1. To collect contributions to provide participants with benefits as negotiated with employers and specified in applicable agreements;
2. To carry out the legal responsibilities of the Trustees to make a substantial effort to collect contributions and other sums owing to the Trust Funds in an efficient and expeditious manner;
3. To give employers adequate notice of their delinquency and the opportunity to make payment in order to avoid litigation and additional costs;
4. To alert plan sponsors of all delinquencies and to obtain their assistance as may be necessary to achieve payment; and
5. When a reasonable time has elapsed and contributions have not been received or arrangements made for payment, to refer the delinquent account for collection or legal action.

RESPONSIBILITIES

The Administrative Office is responsible for the collection of contributions for the following: Health and Welfare, Legal, Pension, Money Purchase, NEBF, NEIF, NECA, AJEATT, IBEW dues, PAC, IHBF, LMCC, AMF, and all other collections authorized by the applicable agreements.

The Administrative Office is responsible for the procedures specified herein and the overall enforcement of all aspects of the funds.

It is recognized that the Administrative Office will handle the accounting and auditing necessary under this procedure and that legal matters related to collections may be referred to legal counsel for assistance.

GENERAL PROCEDURES

A. Notice to Employers

The Administrative Office shall provide all employers with:

1. Current Contribution Rates
2. Reporting Guidelines
3. Reporting Forms

B. When Contributions and Reports are Due from Employers

Employer contribution reports and contributions based on hours worked by employees during a given month are due at the depository bank on or before the 15th day of the following month. Contributions are deemed paid on the date they are received by the depository bank. Employer reports and contributions postmarked (not metered) on or before the 15th day and received by the close of business on the 15th business day of that month will be considered timely.

Employers with no covered employees working during the month are deemed delinquent if a report indicating “No Employees” is not received by the time specified above. Employers failing to submit monthly reports for several consecutive months may be subject to a maintenance audit to determine whether or not there are covered employees working.

When an employer is no longer active in the electrical industry in the state of Alaska, it shall request from Local 1547 that a *Benefits Board Removal Notice* be forwarded to the Administrative Office and no further monthly reports will be required. The *Benefits Board Removal Notice* does not affect the signatory status of the employer; rather it means the Administrative Office will not expect to receive a monthly report from the employer. When the employer resumes performing covered work, the employer shall notify Local 1547 and an *Employee Benefit Board Notification* will be forwarded to the Administrative Office who will expect monthly reporting to resume.

C. Liquidated Damages

If an employer is delinquent in contributions, liquidated damages in accordance with each individual trust agreement shall be assessed against the employer.

D. Interest

If an employer is delinquent in contributions, interest shall be assessed on the delinquency at the contract rate of 12 percent per annum, or as provided in the trust agreements, from the 16th day of the month in which the contributions were due.

E. Attorney Fees

Any attorney's fees incurred by the Administrative Office in the collection of delinquent contributions shall be billed to the employer.

F. Application of Monies Paid

Contributions received from an employer are applied to the respective funds as prioritized by the parties to the Collective Bargaining Agreements, beginning with the oldest month for which contributions are due.

Payments voluntarily made by a third party are to be applied to the specific delinquent amounts as indicated by the third party.

G. Receipt and Reporting of Contributions

The Administrative Office shall receipt and record all contributions made during the year. The Administrative Office shall provide the Board of Trustees of each Fund, IBEW Local 1547 and NECA a monthly delinquency report listing all employers that are delinquent in their contributions.

H. Relief of Penalties

The Trustees shall have the authority to waive all or part of the attorney fees, liquidated damages, or interest for good cause shown.

I. Payment of Penalties

When liquidated damages and interest are assessed, they shall be due 15 days from notification of the amount due. If payment is not received timely, the matter shall be forwarded to legal counsel. If liquidated damages are waived for good cause, but the interest has not been paid within 15 days of waiving the liquidated damages, the liquidated damages shall be reinstated. If payment for the reinstated liquidated damages and interest is not paid within 7 days of notification, the matter shall be forwarded to legal counsel.

J. NSF Checks

Returned checks create significant administrative work and additional costs for the Funds and can also create hardship for participants. When a check is returned for nonsufficient funds (NSF) and the employer provides a certified check within 48 hours, a fee of \$75 shall be charged. If a certified check is not provided within 48 hours, liquidated damages and interest shall be assessed.

K. Audit Findings

Employers are notified in writing of contributions due that are found during a standard or maintenance audit and will have 30 days to remit payment. The employer will be advised that it has 30 days in which to challenge the audit results. These time periods may be shortened or eliminated when necessary to facilitate collection for reasons including but not limited to an employer bankruptcy. If the employer fails to challenge the audit billing in writing within the time period described in the audit finding letter, it shall constitute an admission that the billing is correct and that the contributions are due.

If the employer fails to challenge the audit billing and payment is not received within 30 days, liquidated damages and interest shall be assessed. Interest will be calculated from the date the contributions were originally due through the current date. Any credits due the employer will be applied before LD&I are assessed.

If the employer challenges the audit billing, the Administrative Office shall attempt to resolve the matter as quickly as possible. The Administrative Office shall notify the employer in writing of its final decision and the employer will have 15 days to remit payment; however, this period may be shortened. If payment is not received by the date specified, liquidated damages and interest shall be assessed. Interest will be calculated from the date the contributions were originally due through the current date, excluding the period in which the Administrative Office was researching the challenge. Any credits due the employer will be applied before LD&I are assessed.

DELINQUENT EMPLOYER CONTRIBUTION RULES

A. Delinquency

If an employer is delinquent, the Administrative Office shall attempt to contact the employer by telephone regarding the delinquency during the 10 days following the 15th business day. The administrative staff will notify the Administrator on the 16th business day of all delinquencies or as soon as practicable.

1. Employer Responds

If the employer responds with a satisfactory proposal to correct the delinquency, a letter will be sent to the employer confirming the employer's proposal. If the

employer performs, the matter will be closed. If the employer does not perform, the matter will be referred immediately to the Administrator.

2. Employer Does Not Respond

If the employer does not respond to the telephone call from the Administrative Office by the end of the first week, a letter will be sent to the employer notifying the employer of the delinquency. If the employer satisfactorily responds, a letter will be sent to the employer confirming the proposal to cure the delinquency. If the employer performs, the matter will be closed. If the employer does not respond to the letter or does not perform, the matter will be referred to the Administrator, in writing, outlining all collection efforts made to date.

B. Delinquency Referred to Administrator

The following procedures govern a delinquency or any collection matter turned over to the Administrator.

1. Review Information

When a file is turned over to the Administrator for collection, the Administrator shall review all pertinent information which includes the employer's Letter of Assent or collective bargaining agreement, pertinent correspondence, State Corporations information, the bond posted with the Trust Funds and any other relevant materials.

2. Determine Type of Job(s) Employer is Working On

The Administrator will require that the delinquent employer fill out and provide to the Administrative Office a Job Status Report (copy of Job Status Report form attached). In the Job Status Report, the employer shall identify all jobs/projects for any municipal, state or federal government entity and for any job/project with a total value of \$5,000.00 or greater that:

- a. the employer has performed during the time the delinquency in trust fund contributions arose;
- b. the employer is currently performing; and
- c. the employer expects to perform within the next 12 months.

After the Administrator determines the type of job(s)/project(s) the employer is working on, the Administrator shall determine the appropriate recourse to take:

- a. private project: lien rights against the project
- b. public project: Miller Act and Little Miller Act Rights
- c. all projects: joint-check agreements between the general contractor and the employer sub-contractor

C. Collection of Delinquency.

1. Telephone Contact with Employer.

The Administrator will notify the employer of the problem and request a proposal to cure the delinquency within one week of notice from the Administrative Office.

2. Response by Employer.

If the employer responds to the Administrator's telephone contact and an agreement is reached, the agreement shall be put in written form and shall include a Confession of Judgment, Conditional Agreement Not to Execute, Promissory Note, Security Agreement and UCC-1. These documents shall be sent to the employer with a letter from the Administrator. The employer will be given ten (10) days to return the documents signed.

If the documents are returned signed, the Administrative Office will monitor the employer's compliance with the agreement. If the employer fails to return the documents signed, a second letter will be sent to the employer giving the employer seven (7) additional days to have the documents signed and returned. In the event the employer does not respond, the matter shall be turned over to legal counsel to pursue collection, execute against the bond, and to initiate litigation, if necessary. If the employer defaults under the terms of the agreement in place, the Administrator shall contact the employer and shall have discretion to give the employer up to one month to cure the delinquency. If the matter continues to be in default beyond the thirty (30) days granted by the Administrator, enforcement of the documents will occur by immediate action from legal counsel.

3. No Response by Employer

If the employer does not respond to the notice from the Administrator, the Administrator shall send a letter to the employer notifying the employer of the delinquency and the efforts made to date, informing the employer that the matter will be turned over to legal counsel within seven (7) days unless the employer satisfactorily responds to the letter. If the employer satisfactorily responds to the letter, the agreement shall be put in written form as set forth in Section C2. If the employer does not satisfactorily respond, the matter will be turned over to legal counsel to pursue collection, execute against the bond, and initiate litigation, if necessary.

REQUIREMENTS FOR BONDING AND JOB STATUS REPORTS**A. Bonding**

1. Every employer is required to furnish a surety bond in the amount of \$20,000.00 to secure payment of all amounts due on account of the Alaska Electrical Pension, Health and Welfare, Legal, NEBF, NLMCC, LMCC and Apprenticeship Trust Funds Employer contributions. The bond shall provide that it may not be terminated without thirty (30) days prior written notice to the Employer, NECA, the local union and the Administrator. No employer shall be furnished employees unless proof of bonding has been furnished to the Administrative Office. The Administrative Office will supply the Union Office with a current listing of active signatory employers who should supply proof of bonding but have not done so.
2. Any employer who can furnish sufficient evidence to the Administrative Office that it has had a prior continuous record of payment for at least twelve (12) months during which it had employees without a delinquency in payment of employer contributions shall be exempt from the bonding requirements.
3. If an employer who is not subject to the bonding requirements becomes delinquent in the payment of Trust Fund contributions or if an employer's bond is used to satisfy a delinquency, the Administrator may require the employer to provide a new bond in such amount as the Administrator determines, not to exceed the value of 90 days of trust contributions. The bond shall be in favor of the Alaska Electrical Trust Funds for payment to the Alaska Electrical Trust Funds in the event of a default in the payment of Trust Fund contributions.

B. Job Status Reports:

1. Every employer shall provide a Job Status Report on a monthly basis, which shall be submitted to the Administrative Office at the same time as the Employer Contribution Reports and contributions are submitted.
2. Any employer who can furnish sufficient evidence to the Administrative Office that it has had a prior continuous record of payment for at least twelve (12) months during which time it had employees without a delinquency in the payment of employer contributions shall be exempt from the requirement of submitting Job Status Reports.
3. If an employer who is not subject to the requirements of submitting Job Status Reports becomes delinquent in the payment of Trust Fund contributions, the Administrator may require the delinquent employer to submit Job Status Reports on a monthly or quarterly basis, at the discretion of the Administrator.

**Alaska Electrical Trust Funds
JOB STATUS REPORT**

Name of Employer: _____

<u>Name of Job/Contractor or Party Project #</u>	<u>Name of General Contracted With</u>	<u>Name of Owner (Municipality, State, Federal Government, or Name of Private Party)</u>	<u>Status (Completed, In Progress, Anticipated; If Completed, Give Date of Completion; If Anticipated, Give Estimated Start Date)</u>
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I swear or affirm that the information listed above is true and accurate.

Dated: _____

Employer: _____

By: _____