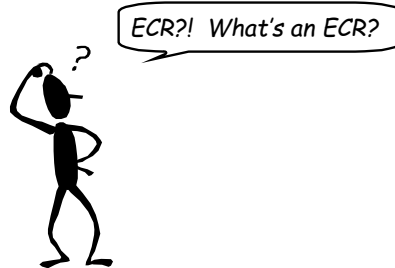


Employer Contribution Guide



ALASKA ELECTRICAL TRUST FUNDS

Hello and Welcome aboard!

This guide was created to help signatory employers when preparing their monthly contribution reports.

The Alaska Electrical Trust Funds (Administrative Office) collect contributions from employers, then with those contributions administer the retirement, legal, health, disability, and life insurance benefits to eligible employees and their families.

Trustees from both labor and management direct the actions of the Administrative Office whose function is to facilitate the reporting of employee hours and contributions for the employers and administer legal, pension and health and welfare benefits to eligible employees and their families.

Since the Alaska Electrical Trust Funds is a multi-employer plan, the Administrative Office must comply with State and Federal labor laws, the Employee Retirement Income Security Act (ERISA), and the Internal Revenue Code. In order to stay compliant, the Administrative Office is on a strict timeline for collecting contributions.

Many of the collection and reporting procedures may seem complex and confusing, therefore we encourage you to call with any questions you may have. Please bear in mind that each employer is responsible for complying with the terms of its collective bargaining and special agreements.

If you have any questions please call the Administrative Office at (907) 276-1246. We look forward to working with you.

Sincerely,

Robert Garcia
Administrator

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PROCEDURES

General

The Administrative Office has created an Excel template of an ECR (Employer Contribution Report) in an effort to make the processing of the contribution reports more efficient, and less error prone. The ECR will need to be uploaded to our secure portal, each month. The ECR will have a worksheet (tabs) for each collective bargaining and/or special agreement you have. It also includes a summary sheet that totals all monies from each tab of the report, and a documentation sheet for messages, questions, or notes regarding the report. Employers may also submit an ASCII contributions file to the Trust Funds. Please contact Misty Hokkanen at the Trust Funds Administrative Office for details, or if you have questions regarding electronic reporting.

After an employer signs an Agreement or Letter of Assent to an IBEW/NECA Collective Bargaining Agreement, a blank template will be emailed to the employer along with instructions on how to successfully report & submit contributions.

Submitting Early Eligibility Reports for Monthly Health & Welfare (H&W)

An early report identifies the employees who have earned a health & welfare contribution in the current month (and will therefore have earned eligibility for the following month). The Early Report must be uploaded to our secure portal, AETF Online prior to the 25th of the month.

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.

If applicable, the administrative office will provide an Early Report template. Only those employees whose contributions are a flat monthly rate should be reported. It will be your responsibility to add and delete employees as they gain or lose coverage. Do not report anyone that you do not intend to report on the ECR (employer contribution report), due by the 15th of the following month. Employees that have not yet earned eligibility, such as part-time or newly hired employees, may be reported any time after they have earned eligibility, or with the ECR (employer contribution report) submitted on the 15th.

Early Eligibility reports for Monthly H&W are submitted via our secure portal, AETF Online at <https://www.aetfonline.com>.

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

Submitting Remittances

ECR's must be uploaded to AETF Online on, or before, the 15th of the month following the month in which the hours were worked. Payment for the report can be made electronically via ACH, or by mailing a check to the Administrative Office. For example, the ECR and contributions for hours worked in January are due by February 15th.

To be considered timely, the ECR must be uploaded to AETF Online prior to midnight of the 15th. Payments that are mailed must be postmarked (not metered) on or before the 15th **and** must *also* be received by the fifteenth business day to be considered timely. Payments made via ACH must be received by our bank on or before the 15th.

If you submit your contributions payment by mail, send to:

AETF – Remit
701 E Tudor, Ste 200
Anchorage, AK 99503

Please contact the Administrative Office for account and routing information if you prefer to send payments via ACH.

Avoiding Delinquency

An employer whose ECR and/or payment are not received by the 15th, or postmarked by the 15th *and* received by the fifteenth business day, is considered delinquent and will be assessed liquidated damages at the rate of ten percent (10%) of the total contributions 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 (12%) per annum.

Federal regulations require the administrative office to bill for liquidated damages and interest, so we urge employers to file and pay their contributions in a timely manner. Delays in receiving the ECR's and contributions can cause a lag in retirement and medical benefits, resulting in considerable hardship for your employees.

Receiving Credit for Overpayment of Contributions

To simplify contribution reporting and payment, the Administrative Office collects contributions for all of the funds they administer, and for funds administered by other organizations. AETF can only issue credit for an over payment of contributions for the following funds that they administer:

- H&W
- Legal
- Pension
- RSP
- AJEATT

The Administrative Office cannot issue a refund for a health & welfare overpayment if the participant has already been extended coverage. We also cannot refund an overpayment to the Retirement Savings Plan (RSP) 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 (CBA)

Your company may be signatory to one or more collective bargaining agreements. Benefit contribution rates vary according to which CBA 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 Agreement, or the Electrical Industry Support Agreement (EISA).

Special Agreements

Special agreements are direct agreements between AETF 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 Administrative Office for each agreement you are signatory to. This number is unique to the employer, the agreement, and the contribution rate. Each employer number has its own tab on your ECR.

If apprentices are employed, additional employer numbers will be assigned, even though the apprentices may be working under the Inside or Outside Agreement. This

is because apprentices have different Pension and RSP contribution rates. If you need another employer number please contact the Administrative Office.

Reporting Hours

Many of the benefits employees receive 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 may include leave hours used and/or leave hours cashed-in. After examining your agreement, if you are unsure about which hours you should be reporting, please call the Administrative Office.

**** To report corrections for a prior month(s), see FAQ on page 13 ****

Reporting Gross Earnings

Union Working 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 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 Administrative Office and the State of Alaska Employment Security Division. The IRS considers the Legal Fund contributions that you pay on behalf of your employees as 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.

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. Switching between methods causes some weeks to be reported twice and others to be omitted completely. Reporting methods cannot be changed without contacting the Administrative Office prior to making a switch.



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.

Reporting for Apprentices

Under many of the CBA's, apprentices have different Pension and RSP contribution rates than journeymen. Apprentices under the Inside Agreement have fixed rates for Pension and RSP 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 the journeymen Pension and RSP contributions. For example, a 65% apprentice should be reported at 65% of the current journeymen's Pension and RSP 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 you need another employer number.

Tip: Examine the latest apprentice memorandum from the Apprenticeship School closely. 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 RSP contribution rates.



Reporting Job Status

You may be required to file a Job Status Report with the employer contribution reports each month if 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 once again 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 will then 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 about whether or not 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 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, H&W contribution rates are per hour. For some CBA's, hours are capped at a predetermined level.

Contributions for H&W under the Special Agreements and some of the other CBA's are a flat monthly rate. Eligibility for monthly H&W 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.

If an employee works the number of hours required by your CBA in January, that employee has earned coverage for February. The January hours are reported and paid for by February 15th. Since January contributions are not due until February 15th, it is necessary to report the employees that have worked enough hours in January to the Trust Funds by January 25th in order for that employee to show eligibility on February 1, and for the Trust Funds to be able to quote H&W benefits for those employees on

February 1st. Please review “Submitting Early Eligibility 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 CBA's, 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 have questions or 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 the latest apprentice memorandum from the Apprenticeship School closely to determine the rate your apprentice should be reported. Remember, since journeymen and apprentices have different Pension and RSP 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 reported 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 Retirement Savings Plan (RSP)

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

For Special Agreements, the retirement savings 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 retirement savings contribution is based on 173.33 hours. For employees that are paid hourly, the hours reported for retirement savings 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 Retirement Savings Plan Contributions

Many of the collective bargaining agreements provide for employees to voluntarily contribute to their retirement savings plan accounts. The Pre-Tax voluntary contribution is withheld from the employee's wages before taxes are withheld, thereby reducing the amount of taxable income. The Post-Tax voluntary contribution is withheld from the employee's wages after taxes are withheld and is not tax deductible. The employee must provide the employer with a signed form authorizing the deductions, stating Pre-Tax or After-Tax, 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.

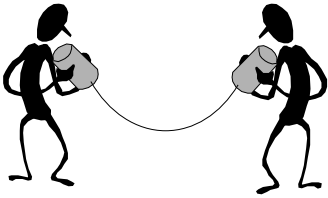
Contributing to the Administrative Maintenance Fund (AMF)

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 • PAC • Benevolent Fund | <p>Cody Marlow
IBEW Dues Office
(907) 777-7225</p> |
|---|---|

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



- | | |
|---|---|
| <ul style="list-style-type: none"> • Contribution Rates • Special Agreements • H&W, Legal • Pension • Ret. Savings Plan | <p>Misty Hokkanen
Alaska Electrical Trust Funds
(907) 276-1246 ext. 262
misty_h@aetf.com</p> |
|---|---|

- | | |
|---|--|
| <ul style="list-style-type: none"> • Employer Numbers • Templates | <p>Briana Polly
(907) 276-1246 ext. 224
briana_p@aetf.com</p> |
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- | | |
|---|---|
| <ul style="list-style-type: none"> • Electronic Reporting | <p>Michelle Barry
(907) 276-1246 ext. 230
ECR@aetf.com</p> |
|---|---|

- | | |
|--|---|
| <ul style="list-style-type: none"> • Apprentices | <p>Jackie Moua
Apprenticeship and Training School
(907) 337-9508</p> |
|--|---|

Glossary

AETF – is the 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 (CBA) between IBEW Local 1547 and the employer.

AJEATT - is the abbreviation for Alaska Joint Electrical Apprentice Training Trust.

AMF - is the abbreviation for 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., unless specified otherwise in your CBA.

ECR – is the abbreviation for Employer Contribution Report, the form submitted monthly to the Trust Funds to report the gross earnings and hours of your employees.

EISA – is the abbreviation for the Electrical Industry Support Agreement

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

H&W – is the abbreviation for the Health & Welfare Fund.

IHBF – is the abbreviation for the IBEW Hardship & Benevolent Fund.

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

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

NEBF – is the abbreviation for the National Electrical Benefit Fund.

NECA - is the abbreviation for the National Electrical Contractors Association.

PAC – is the abbreviation for the Political Action Committee.

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

RSP – is the abbreviation for Retirement Savings Plan.

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

Trust Funds - the Alaska Electrical Trust Funds (AETF).

Frequently Asked Questions

? Do I need to file a report when no union employees worked?

Yes! Simply submit your zero report without hours, gross wages, dues, etc. no later than the 15th of the following month. Otherwise, your report is considered delinquent.

? Do I need to report retroactive hours and/or 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. These should be submitted on a separate ECR from your regular monthly report.

? We no longer work under a particular agreement; can we stop submitting the form every month?

Yes, **IF** you 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? AETF 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 AETF’s auditors.

? I just received a credit for an over payment, how do I use it? Please enter the credit amount (as a negative number) on the “Adjustments” line on the summary page of your ECR. Doing so will reduce the amount due by the amount of the credit. Please also submit/upload the credit you received 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 Retirement Savings 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, Retirement Savings Plan, NEBF, NEIF, NECA, AJEATT, IBEW dues, PAC, IHBF, LMCC, AMF, and all other collections authorized by the applicable agreements.

AETF 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 (ECR's) and contributions based on hours worked by employees during a given month are due at the Administrative office on or before the 15th day of the following month. Contributions are deemed paid on the date they are received by the Trust Funds. Employer contribution checks that are postmarked (**not metered**) on or before the 15th day and are also received by the close of business on the 15th business day of that month will be considered timely. Reports must be uploaded to AETF Online by midnight of the 15th day of the following month to be considered timely. **Your printed upload confirmation is your proof of timely upload.**

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* (Stop Card) be forwarded to the Trust Funds. Only then will you be relieved from filing monthly reports. The Stop Card does not affect the signatory status of the employer; rather it means that 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 a Start Card will be forwarded to the Administrative office, who will then expect monthly reporting to resume.

C. Liquidated Damages

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

D. Interest

If an employer is delinquent in contributions and/or reports, 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 reports and contributions were due.

E. Attorney Fees

Any attorney's fees incurred by AETF 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 record all contributions made during the year, and 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 reporting and 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, AETF 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 and/or email regarding the delinquency during the 10 days following the 15th business day. The Contributions supervisor will notify the Administrator on the 16th business day of all delinquencies or as soon as practical.

1. Employer Responds

If the employer responds to the phone call/email, 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 immediately be referred to the Administrator.

2. Employer Does Not Respond

If the employer does not respond to the phone call/email within the week, a letter will be sent to the employer notifying them of the delinquency. If the employer satisfactorily responds to the letter, a second 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 CBA, 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 Trust Fund 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 Trust Funds 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 who is signatory to the Inside, Outside, and/or EISA is required to furnish a surety bond in the amount of \$50,000.00 to secure payment of all amounts due on account of the Alaska Electrical Health and Welfare Fund, Legal Fund, Pension Fund, Retirement Savings Plan, AJEATT, NEBF, IBEW Local 1547, IHBF, PAC, NECA, LMCC, and AMF. The bond shall provide that it may not be terminated without thirty (30) days prior written notice to the Employer, NECA, the IBEW Local 1547, and the Trust Funds. No employer shall be furnished employees unless proof of bonding has been furnished to the Trust Funds office. The Trust Funds will supply the IBEW with a current listing of active signatory employers who should supply proof of bonding but have not done so.
2. 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 Trust Funds office at the same time as the ECR's and contributions are submitted.
2. Any employer who can furnish sufficient evidence to the Trust Funds 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 his/her discretion.

Alaska Electrical Trust Funds JOB STATUS REPORT

Name of Employer: _____

<u>Name of Job/ Project #</u>	<u>Name of General Contractor or Party 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>

I swear or affirm that the information listed above is true and accurate.

Dated: _____

Employer: _____

By: _____