

**SHEET METAL WORKERS' LOCAL 36 WELFARE FUND
EMPLOYER AGREEMENT TO CONTRIBUTE FOR OTHER EMPLOYEES**

AGREEMENT

The Employer (Contractor) and the Trustees of Sheet Metal Workers' Local 36 Welfare Fund agree:

1. Contractor participation in the Welfare Plan for non-bargaining unit office employees is contingent upon the Contractor executing a current Participation Agreement with the Welfare Plan and upon the Contractor employing bargaining unit employees under a Collective Bargaining Agreement with Local 36 Sheet Metal Workers International Association, AFL-CIO.
2. The Contractor will pay each month the rate of contribution for each eligible Employee, in accordance with the schedule established by the Sheet Metal Workers' Local 36 Welfare Fund Board of Trustees. That schedule may be changed by the Trustees by written notice to the Contractor. Contributions for non-bargaining unit office employees are due on the first of the month with a 10 calendar days grace period to the 10th of the month. If the Contractor fails to pay the contribution for non-bargaining unit employees by the 10th of the month, the contribution is considered delinquent back to the 1st day of the month.

Example: On June 11, the June contribution for office employees has not been paid. The contribution is delinquent from June 1.

3. **Eligibility Rules for Office Employees (Class IV Members).** The eligibility rules for non-bargaining unit office employees are stated in the Summary Plan Description. Non-bargaining unit office employees are classified Class IV Members under the Plan. Under the Plan, the eligibility of Class IV Members is terminated if the Contractor fails to timely pay contributions or the Class IV Member discontinues working for the Contractor. Class IV Members are not entitled to Cobra continuation coverage if they lose coverage because their Contractor failed to timely pay contributions. Under the terms of the Plan, Class IV Members and their dependents are subject to a pre-existing conditions benefit limitation. See Welfare Plan SPD at Section 6.1(b).
4. **Termination of Contractor's non-unit participation for failure to timely pay contributions for either non-bargaining unit office employees or bargaining unit employees.** If a Contractor is more than 30 days delinquent in the payment of contributions for non-bargaining unit

employees or bargaining unit employees, the Contractor will receive one warning letter from the Fund Office informing the Contractor that if it is delinquent for a second month for more than 30 days for either non-bargaining unit office employees or bargaining unit employees, then the Contractor's participation in the Welfare Plan for non-bargaining unit office employees will terminate at the end of the second month of a 30 day delinquency. Non-bargaining unit office employees' whose coverage terminates because the Contractor has not timely paid contributions are not eligible for Cobra continuation coverage.

Example 1. On May 1, Contractor X has not paid the contributions for non-bargaining unit office employees for April (due April 1) but is current for contributions for bargaining unit employees. Contractor X is sent a warning letter that if a second month of delinquency of 30 days occurs, Contractor X's participation in the Welfare Plan will terminate for non-bargaining unit office employees. On June 11, Contractor X has paid April contributions for the non-bargaining office unit employees (due April 1) but has not paid May contributions for the non-bargaining unit office employees (due May 1). Contractor X's participation in the Welfare Plan for non-bargaining unit employees will terminate on May 31. Contractor X remains obligated to timely contribute for bargaining unit employees under the Collective Bargaining Agreement.

Example 2: On June 20, Contractor X has not paid the contributions for bargaining unit office employees for April (due May 20) but is current for contributions for non-bargaining unit office employees. Contractor X is sent a warning letter that if a second month of delinquency of 30 days occurs, Contractor X's participation in the Welfare Plan will terminate for non-bargaining unit office employees. On July 20, Contractor X has paid April contributions for the bargaining unit employees (due May 20) but has not paid May contributions for bargaining unit employees (due June 20). Contractor X's participation in the Welfare Plan for non-bargaining unit employees will terminate on July 31. Contractor X remains obligated to timely contribute for bargaining unit employees under the Collective Bargaining Agreement.

5. **Eligible Office Employees.** Office Employees are all employees of the Contractor not covered by a collective bargaining agreement with a Union without intending any limitation, a salesman, corporate officer, an estimator, bookkeeper, manager, secretary and all other employees of the Contractor (not covered by a Collective Bargaining Agreement), except for truck drivers and construction workers and excludable part-time employees. The Contractor must contribute to the Welfare Fund for all current eligible office employees. New Office Employees must be included in the Contractor Report to the Welfare Fund for Office Employees within 60 days of the date of hire. Excludable part-time

employees are those who regularly work less than 20 hours a week and temporary employees who work less than four months in one year. Office Employees who are covered by a spouse as a dependent and must also be reported and contributed for. The Contractor may not contribute to the Welfare Fund for friends, relatives or other persons who are not regularly employed by and performing work for the Contractor's sheet metal business. The Welfare Fund may refuse continued coverage for such person and may recover from the Contractor any benefits which the Welfare Fund has paid to or on behalf of such person.

6. **Other Coverage.** Participation in the Welfare Fund is not allowed if the Contractor participates in any other group health plan for any of its Office Employees. It is not intended or permitted that the Contractor cover some Office Employees in another plan and some in the Sheet Metal Workers' Local 36 Welfare Fund. All Office Employees must be covered in this Welfare Fund, or none may be covered.

7. **Monthly Report OnOn Office Employees.** The Contractor is to prepare and file with the Sheet Metal Workers' Local 36 Welfare Fund, a monthly report listing all eligible Office Employees, their Social Security number and such other information as deemed necessary by the Trustees of the Fund. The Contractor will list the date of hire of new Office Employees and the date of termination of any Office Employee.

8. When adding an office employee to coverage under the plan, the payment for the new employee needs to be received by the first of the month the employee is to be added.

Example: Contractor X wants to add Employee B to the plan beginning the month of November. The premium for Employee B is due on November 1 and must be paid by November 10 for coverage to begin at that time.

9. If an employee begins in the middle of a month and the Contractor wants coverage to begin immediately, the Contractor must pay for the entire month within ten days of hire.

10. When removing an employee from coverage, the fund office must be notified in writing via fax and first class mail. The Contractor is not given any credit for previous months paid for an employee until the fund office verifies that claims have not been paid.

11. Notification of termination of employment and coverage on an employee must be done in writing (via fax and first class mail) so the fund office can send out cobra papers correctly and timely.

12. If a Contractor terminates participation in the Welfare Plan for non-bargaining unit office employees, the Contractor will not be allowed to re-apply for Office Employee Coverage with Sheet Metal Workers' Local 36 for one full year. At that time, the Contractor may submit an application for evaluation by the Board of Trustees. The Board of Trustees have the discretionary authority to reject or accept Contractor participation for non-bargaining unit office employees. A Contractor may not participate in the Welfare Plan for non-bargaining unit office until the Contractor has received a written acceptance letter from the Board of Trustees and the Contractor has signed a participation agreement with the Welfare Plan.

13. The Trustees of the Welfare Plan have the discretionary authority to terminate a Participation Agreement for Non-Bargaining Unit Office Employees at any time by providing written notice to the Contributing Contractor.

14. The Contractor will be bound by the terms of the Sheet Metal Local 36 Welfare Fund Amended Trust Agreement of January 1, 2000 as amended.

15. The Contractor may terminate this Agreement by delivering to the Fund Office to the attention of the Plan Administrator a written notice to terminate no later than 30 days before the 1st day of the month that the termination is to occur. For example, to terminate participation for the month of May, the Contractor must deliver to the Fund Office by April 1 a written notice terminate for the month of May.

Approvals

This Agreement is subject to approval by the Trustees of the Sheet Metal Workers' Local 36 Welfare Fund.

Contractor hereby approves this Agreement and represents that the person signing on its' behalf below is duly authorized to sign this Agreement on behalf of the Contractor.

Not Approved []

Approved []

(Authorized Signer)

Date: _____

(Print name of Contractor)

Trustees of the Sheet Metal Workers'
Local 36 Welfare Fund

By _____
(Authorized Signer)

DAVID C. ZIMMERMANN
(Chairman)

(Authorized Signer)

George L. Welsch
(Secretary)

Date: _____
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