

Sheet Metal Workers' National Benefit Funds





Discussion Items

- 1.) Reporting Requirements
- 2.) Internet Payment System (“IPS”)
- 3.) National Pension Fund Website
- 4.) NPF’s Work After Retirement

FAQ's for Contributing Employers

What are the National Benefit Funds?

The National Benefit Funds are comprised of the following funds:

- Sheet Metal Workers' National Pension Fund ("NPF" or "Fund")
- Stabilization Agreement of the Sheet Metal Industry ("SASMI")
- International Training Institute ("ITI")
- Sheet Metal Workers' Occupational Health Institute Trust ("SMOHIT")
- Sheet Metal Workers' National Supplemental Savings Plan ("NSSP")
- National Energy Management Institute Committee ("NEMIC")
- SMWIA Scholarship Fund ("SMWISF")

FAQ's for Contributing Employers

When are contributions due to the Fund?

The general due date for the National Benefit Funds office is no later than the 20th of the month after the month the work was performed; however, you should check your CBA as your due date may be earlier.

My company was assessed “Liquidated Damages” or “Late Fees” – why?

If a Contributing Employer fails to file a remittance report(s) & contributions either by mail or by the IPS by the due date, they will be assessed a late fee. The late fee is 10% of total late contributions or \$50.00, whichever is greater.

FAQ's for Contributing Employers

How can I remit my contributions on-line?

Contributing Employers can file their monthly reports and pay electronically using our Internet Payment System (“IPS”). The IPS allows Contributing Employers to send both their monthly data and to make their monthly payment through our secure website.

www.smwnbf.org





Sheet Metal Workers' National Pension Fund

The National Pension Fund found at www.smwnpf.org is an important resource that provides important and useful information for both Employers:

- Notices/Announcements
- Plan Documents (including Trust Documents & Funding Improvement Plan Documents and financial accounting documents – including specific information required to report under FASB)
- Information About the Fund
- Links to Affiliate Organization Website



Work after Retirement

With limited exceptions detailed later in this notice, if the retiree has **not** yet reached Normal Retirement Age (age 65), Disqualifying Employment means **ANY** work (paid or unpaid) with:

- a Contributing Employer;
- an employer in the same or related business as any Contributing Employer;
- self-employment in the same or related business as a Contributing Employer
- employment in the Sheet Metal Industry which includes any work in a related building trade.



Work after Retirement Limited Exceptions

A Pensioner can collect a monthly benefit while working up to 40 hours per month under this limited exceptions:

- a joint apprenticeship training committee that is affiliated with the Union,
- work performed as a picketer for the Union, or for any Local on elections for officials within the Union.
- **If you are age 62 or older, Disqualifying Employment does not include work in Covered Employment of 40 hours or less per month.**



Work after Retirement after Normal Retirement Age (65)

If a Pensioner has reached Normal Retirement Age (age 65), Disqualifying Employment means employment or self-employment:

- in an industry covered by the Fund when your pension payments began,
- in the geographic area covered by the Fund when your pension payments began (note – the Fund’s geographic area includes the continental United States and Puerto Rico), and
- in any trade or craft in which you worked at any time under the Fund.

** Special rules apply when the Pensioner attains his/her Requirement Mandatory Distribution Age (70 ½)

Contact Information

Executive Director: Lori Wood Ext. 712

Director of Operations: Debbie Elkins Ext. 738

NBF Billing & CBA Department:

Billing Manager – Walter Shaw Ext: 717

Billing Lead – Warlene Williams Ext: 187

CBA Lead – Robert “Eddie” Geisler Ext: 728

NBF Field Audit/Contribution Delinquency Department:

Compliance Manager – Cari Greene – Ext: 746

Compliance Lead – Brandon Ward– Ext: 756

NPF Pension Benefits Department:

Pension Specialist – Jessica Smith Ext: 762

SHEET METAL WORKERS' NATIONAL BENEFIT FUNDS

2016 Council of Chapter Representatives Meeting
Vancouver, Canada June 5-7 2016

Information Provided:

1. Reporting Requirements
2. Internet Payment Site (“IPS”)
3. Employer Compliance Reviews/Payroll Audits
4. FAQs for Contributing Employers
5. National Pension Fund Website
6. Work After Retirement
7. Contact Information



Reporting Requirements:

The various Trust Documents lay out the reporting requirements for contributing Employers. However please refer to your Collective Bargaining Agreement (“CBA”) for mailing instructions and additional reporting requirements that are specific to your CBA.

In the NPF Trust Document under Article V. Contributions to the Fund; Section 2. Reporting and Delinquencies

- a. Employers shall submit a remittance report in a form acceptable to the Plan, and shall remit the required Contributions no later than the twentieth (20th) of the month following the month in which Covered Employment was performed (except as otherwise approved in writing by the Trustees in their sole and absolute discretion).
- c. If an Employer fails to pay the required Contributions and submit accurate supporting remittance reports within five days of the due date, that Employer will be liable for liquidated damages equal to the greater of 10% of the delinquent Contributions or \$50.00, in addition to interest at .0233% compounded daily.
- g. If within a particular month, the Employer had no employees performing Covered Employment, a remittance report shall be filed on the twentieth (20th) day of the following month explaining why no Contributions were paid by the Employer. The failure to do so subjects the Employer to liability for all fees and costs resulting therefrom.

The Employer shall submit a report to the Funds office that is supplied by the Fund or another type of reporting form that consists of the following:

1. Employee’s Social Security number
2. Name of Employee (First & Last Name)
3. Employee’s specific Job class (description or job class code)
4. Number of hours (Regular Time, Time & Half and Double Time)
5. Gross wages (where applicable)
6. Total amount of contributions to each respective fund.

National Benefit Fund's Internet Payment System ("IPS"):

Across all Local Unions, approximately 60% of all the hours worked in Covered Employment are being reported by our Contributing Employers via the IPS. We strongly encourage you to consider this option and help us in our initiative to save in administrative costs and paper and "go green".

- Employers often comment that because the IPS is so easy & efficient, they save both time & money.
- Our IPS system requires that you simply enter your employees' monthly hours and wages (when necessary); and it will calculate the amounts due for **all** National Benefit Funds under the terms of your CBA.
- Payments can be remitted securely via an ACH transfer through our website, or a check pledge can be scheduled and mailed to our Baltimore lockbox; however we strongly encourage you to pay via ACH transfer to insure prompt payment and avoid late fees.
- An ACH payment reduces time and paperwork and provides immediate payment confirmation.
- Payments can be scheduled for the day the contributions are due, or any day in between; however, you should note that there is a two day delay in ACH transfers. Also note, that payments cannot be scheduled on bank holidays).
- Depending on your Local Union, some Local Fringes can be paid directly through the IPS when a One Stop agreement is in place with your Local Union and the National Funds Office.
- If your Local Union does not have a One Stop agreement in place, a majority of the Local Unions have allowed the National Funds office to list and calculate the Local Fringes on our report so that the Employer can utilize our report for the Local Fund contributions.

We have a dedicated staff that is available to assist you. We encourage you to preview the NPF's website at www.smwnbf.org. Should you need assistance or if you want to request more information, please contact one of the following staff members at the Funds Office.

- Robert "Eddie" Geisler – Lead CBA Analyst – 703.739.7000 ext. 728 or egeisler@smwnbf.org
- Joshua Todd – IPS Coordinator – 703.739.7000 ext. 747 or jtodd@smwnbf.org

You can send an email to ips@smwnbf.org or call our toll free number at 1-800-231-4622.

Compliance Reviews/Payroll Audits:

Access to Records & Audit of Employers

Most CBAs grant the NBF authorized access to all personnel and payroll wage records encompassing all employees and any job or project information of any Employer for the purposes of assuring the accuracy of reports and contributions.

If insufficient contributions have been made, the Employer will be assessed interest and may be assessed fees, including liquidated damages and the cost of the audit and expenses; additionally, attorneys' fees and/or costs would be incurred if legal counsel is engaged.

The National Benefit Funds have a Joint Collection Policy with various Local Funds

Section VI of the Collection Policy Regarding EMPLOYER RECORDS REVIEW states: From time to time, the Fund will review employer records to educate and inform Employers about contribution obligations and to determine Employers' compliance with the reporting requirements, and to deter irregular reporting activities.

The National Benefit Funds and various Local Funds;' work together to conduct necessary Payroll Audits.

- Each Employer who participates in the various National Benefit Funds will be, at some point, subject to an audit.
- Why? The most obvious reason is to insure that each Employer is correctly contributing under the terms of the CBA.

FAQ's for Contributing Employers:

When are contributions due to the Fund?

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What are the National Benefit Funds?

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My company was assessed "Liquidated Damages" or "Late Fees" – why?

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My company was assessed interest on a late payment – why?

If a Contributing Employer fails to pay contributions by the due date, they will be assessed interest from the original due date until they are paid at a rate of 0.0233% per day, compounded daily. Federal law requires that the Fund assess interest on late payments.

How can I remit my contributions on-line?

Contributing Employers can file their monthly reports and pay electronically using our Internet Payment System ("IPS"). The IPS allows Contributing Employers to send both their monthly data and to make their monthly payment through our secure website.

To learn more about the IPS, please contact either Robert "Eddie" Geisler, Josh Todd or send an email to ips@smwnbf.org.


If I do not report via the IPS, when will I begin receiving a remittance form from the Funds office?

Computer generated forms are created and sent out (Mail or Email) by the 1st of each month following the month the hours were worked. Please keep in mind that if Covered Employment is performed, the Employer is obligated to report hours for that work month and remit contributions by the 20th of the following month--even if you did not receive a pre-printed report.

If the pre-printed information on the remittance form is incorrect, may I change it on the form?

Yes, just write the correct information on the remittance form; however, we ask that you do not cover up any information pre-printed on the form. If the changes are received in time, your changes will be reflected on the next billing cycle. If you believe that a pre-printed contribution rate is incorrect on your form, please attach documentation to support your claim and contact Robert "Eddie" Geisler at egeisler@smwnbf.org. Contribution rate obligations cannot be changed without proper verification.

Our company is no longer required to contribute on a specific classification. What should we do?

If your company remits contributions through our Internet Payment System, under the lightning bolt  in the Action column on your remittance report you can delete that report/classification.

If your company remits contributions on our pre-printed remittance form, there is a box that you are required to check on the classification that you would like for us to remove from future reports. You would be required to send these reports directly to the Fund Office.

How can I obtain a copy of the Funding Improvement Plan & FIP Schedule?

You can download a copy of the 2015 Funding Improvement Plan Schedule and 2015 FIP Schedule on our website at www.smwnpf.org, as well as review more information such as schedules and previous notices. You can also contact the Fund Office or write us to obtain a copy free of charge. Please make sure you include your name, company name and current mailing address and email address in all requests.

Our company has received information that the NPF is in Endangered Status – what does that mean?

The Plan's actuary certified that the NPF is in endangered status (also called the "yellow zone") for the 2016 Plan Year. This determination was made because the actuary concluded that the NPF is not in critical status and its funded percentage is less than 80%. In addition, the Plan's actuary certified that the NPF is not projected to be in critical status for any of the succeeding 5 Plan Years.

As you know, the NPF has faced significant funding challenges over the past several years. The Fund was in critical status from 2008 until 2013; in 2014, the Plan's actuary certified that the NPF had emerged from critical status (also called the "red zone") and has entered into endangered status. Therefore, this is the third year that the NPF has been in endangered status.

Federal law requires pension plans in endangered status to adopt a funding improvement plan. In February 2014, the NPF's Trustees adopted a Funding Improvement Plan and Funding Improvement Plan Schedule ("FIP Schedule"), effective March 1, 2014.

The Trustees updated the Funding Improvement Plan in 2015 to reflect changes in federal pension law enacted in December 2014. This updated Funding Improvement Plan and FIP Schedule combine contribution increases and benefit adjustments intended to improve the Plan's funded percentage to around 75% by 2026.



National Pension Fund Website:

The National Pension Fund found at www.smwnpf.org is an important resource that provides important and useful information for both Employers and their Employees who are Plan Participants.

What sort of information can I find on the NPF site?

- Notices/Announcements
- Plan Documents (including Trust Documents & Funding Improvement Plan Documents and financial accounting documents)
- Information About the Fund
- Commonly requested Forms
- Links to Affiliate Organization Website

Plus:

- Participant Access to the following:
 - Annual Statements
 - Work History
 - Pension Estimator

Please take the time to visit us on the web: www.smwnpf.org



Work after Retirement

The Sheet Metal Workers' National Pension Fund ("Fund") pays monthly benefits to Participants who are *retired* within the meaning of the Plan Document ("Plan"). Disqualifying Employment is defined differently depending on whether the retiree is under or over Normal Retirement Age (age 65).

Disqualifying Employment before Normal Retirement Age

With limited exceptions detailed later in this notice, if the retiree has **not** yet reached Normal Retirement Age (age 65), Disqualifying Employment means **ANY** work (paid or unpaid):

- with a Contributing Employer;
- with an employer that is in the same or related business as a Contributing Employer. It is important to note that the Fund has Contributing Employers whose businesses involve much more than what is traditionally thought of as building trades sheet metal, which includes but is not limited to: project management, residential construction, service work, engineering consulting, energy management, sign manufacturing, plumbing and electrical work, roofing, property management, and windows/skylights repair and installation;
- in the Sheet Metal Industry that is not covered by a Union collective bargaining agreement. This type of work extends to just about any job involving construction whether working with tools or not. It includes **any and all** types of work covered by a SMWIA collective bargaining agreement, all types of work under the trade jurisdiction of the Union as defined in the SMART SMWIA Constitution, in a related building trade (union or nonunion) which includes but is not limited to: Asbestos, Boilermakers, Bricklayers, Carpenters, Glazers, IBEW, Iron Workers, Insulators, Laborers, Millwrights, Operating Engineers, Painters, Plasterers, Roofers, Teamsters, or the UA; or any other work to which a sheet metal worker has been assigned, referred, or can perform which is attributable to his or her skills and training as a sheet metal worker, or
- in self-employment in the same or related business as any Contributing Employer. **As noted**, the business activities of the Fund's Contributing Employers are very broad – sheet metal employers engage in a wide variety of work. Therefore, the definition of "Sheet Metal Industry" includes many kinds of work. Put another way, employment or self-employment in the "same or related business as any Contributing Employer" or in the Sheet Metal Industry may be much broader than you might think.

Limited Exceptions

There are some exceptions to the rules described above. Specifically, Disqualifying Employment **does not** include work of 40 hours or less per month for any of the following:

- SMART'S Sheet Metal Division, national office,
- a joint apprenticeship training committee that is affiliated with the Union,

- work performed as a picketer for the Union, or
- for any Local on elections for officials within the Union.
- **If the Pensioner is age 62 or older**, Disqualifying Employment does not include work in Covered Employment of 40 hours or less per month.

Disqualifying Employment at or after Normal Retirement Age

If a Pensioner has reached Normal Retirement Age (age 65), Disqualifying Employment means employment or self-employment:

- in an industry covered by the Fund when his/her pension payments began,
- in the geographic area covered by the Fund when his/her pension payments began (note – the Fund’s geographic area includes the continental United States and Puerto Rico), and
- in any trade or craft in which he/she worked at any time under the Fund.

NOTE: Under the Plan a Participant’s Required Minimum Distribution date (“RMD”) is April 1st of the year, following the year, that he attains age 70 ½. As a Participant’s RMD, he must be in pay status. This means he is able to work without any restrictions under the Plan. For example, let’s say a Participant’s date of birth is June 30, 1945. In this example, he would attain 70 ½ in 2015 and his RMD would be April 1, 2016, which represents the date he would be permitted to work in any capacity without a suspension in benefits.

Suspension of Pension Payments

If the retiree is under Normal Retirement Age (65) and he/she performs work in Disqualifying Employment, his / her monthly pension benefit will be suspended. **Note:** In addition to any other applicable suspension periods, their pension will be suspended for an additional six months for every calendar quarter in which he/she works one hour or more, in the Sheet Metal Industry for an employer that is not signed to a Union collective bargaining agreement.

If the retiree has attained age 65 and he / she performs Disqualifying Employment, their monthly pension benefit will be suspended for any month or months in which he/she is paid for more than 40 hours in Disqualifying Employment.

Resuming Pension Payments

The retiree must notify the Fund Office in writing when he/she stops working in Disqualifying Employment. Their benefits will then resume, subject to any additional months of suspension and will be recomputed based on their age at the time benefits resume, reduced by the number of months he/she previously received benefits. If the retiree returned to work without notifying the Fund, the Fund will expect repayment of monthly amounts paid, plus interest, while he/she worked and may recoup those amounts from future benefit payments after he/she stop working.

If the retiree returns to Covered Employment and completes a minimum of one (1) Year of Service (generally, 870 hours in Covered Employment during a calendar year) his or her benefit will be increased based on these additional Contribution Hours following his/her return to Covered Employment to receive the additional credit.

Contact Information:

8403 Arlington Blvd.
Suite 300
Fairfax, VA 22031

Phone: 703-739-7000
Toll-Free: 1-800-231-4622
Fax: 703-683-0932

Switchboard Hours:
8:00am – 5:00pm EST.

Lockbox Address:

SMW National Funds
PO Box 79321
Baltimore, MD 21279

Executive Director – Lori Wood (lwood@smwnbf.org) Ext. 712

Director of Operations – Debbie Elkins (delkins@smwnbf.org) – Ext. 738

NBF Billing & CBA Department:

- Billing Manager – Walter Shaw (wshaw@smwnbf.org) – Ext: 717
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- CBA Lead – Robert “Eddie” Geisler (egeisler@smwnbf.org) – Ext: 728

NBF Field Audit/Contribution Delinquency Department:

- Compliance Manager – Cari Greene (cgreene@smnwb.org) – Ext: 746
- Compliance Lead – Brandon Ward (bward@smwnbf.org) – Ext: 756

NPF Pension Benefits Department:

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