

I.U.P.A.T. DISTRICT COUNCIL NO. 51

HEALTH AND WELFARE FUND

Fund Office: Zenith American Solutions, Administrator, 3 Gateway Center, 401 Liberty Ave., Ste. 1200, Pittsburgh, PA 15222-1024
Phone: (412) 471-2885 / 1-800-242-8923 / Fax: (412) 471-2891

IMPORTANT NOTICE REGARDING HEALTH COVERAGE FOR NON-COLLECTIVELY BARGAINED EMPLOYEES

As a new DC 51 signatory contractor, you may obtain health coverage for your non-collectively bargained (“NCB”) staff in the DC 51 Health and Welfare Fund (“Fund”). That coverage is governed by the attached Participation Agreement.

NCB coverage rules are as follows:

1. To gain coverage for your NCB staff, you must be a DC 51 signatory contractor that contributes to the Fund on behalf of all DC 51 members under the terms of the DC 51 Agreement.
2. You must also remain current in your contributions to the Fund – both with regard to DC 51 members and with regard to NCB staff. Any delinquency may cause the Fund to revoke your NCB health coverage.
3. You have a *one-time option* to obtain coverage for any of your current NCB staff who works at least 30 hours per week. You must list those NCB employees who will receive health care coverage under the Fund on the attached **Opt-In List and certify their dates of hire**.
4. All other NCB employees whom you choose not to cover under the Fund must be listed on the **Opt-Out List**, attached.
5. **No Opt-Out NCB Employee may later obtain NCB health insurance coverage, even if their circumstances change** (e.g., loss of spousal coverage).
6. The certified **Opt-In List and Opt-Out Lists** must be sent to Zenith by no later than 90 days after signing the DC 51 Agreement.
7. If you later hire a new NCB employee, you may obtain **Opt-In** coverage for them, on a one-time basis, within 90 days of that NCB employee’s initial hiring. And you must notify Zenith of this **Opt-In** coverage in writing within that 90-day timeframe and certify to the initial date of hire. Any other newly hired employees who do not choose coverage must be added to the **Opt-Out** list.

8. The current monthly NCB premium is \$1,050 per employee, but the Fund may change that rate upon advance notice to you. Coverage begins the first day of the month following by at least 15 days the receipt of the Opt-In list and premiums.
9. The Fund can audit your records to ensure compliance with the **Opt-In** and **Opt-Out** rules. You must annually certify your payroll each January. Any violation may result in the termination of your NCB Participation Agreement on behalf of all of your NCB employees.

Please contact the Fund Office with any questions.

Thank you for your participation and cooperation.

I.U.P.A.T. DISTRICT COUNCIL NO. 51 HEALTH AND WELFARE FUND

PARTICIPATION AGREEMENT FOR NON-COLLECTIVELY BARGAINED EMPLOYEES

The undersigned Employer and the Trustees of the IUPAT District Council No. 51 Health & Welfare Fund [“the Fund”] agree that the Employer’s Non-Collectively Bargained employees may participate in the Fund on the following terms. Such participation shall be in accordance with the terms and conditions of this Participation Agreement and, to the extent so provided herein, in accordance with the Collective Bargaining Agreement between the Employer and the IUPAT District Council No. 51 [“the Union”].

1. At the time of signing of this Participation Agreement, the Employer shall have the opportunity to obtain health coverage on behalf of its full-time Non-Collectively Bargained Employees [“NCB coverage”], defined as those NCB employees who then perform work for at least 30 hours per week [“NCB employees”]. At that time, the Employer shall provide to the Fund Office a list by name on Exhibit A of all NCB employees for whom it chooses to obtain coverage, along with their initial date of hire; such employees shall be known as the **Opt-In Employees**. All NCB employees whom the Employer chooses not to cover under this Participation Agreement (because those employees have existing health coverage or otherwise) shall be listed by the Employer, along with their date of hire, on Exhibit B, and shall be known as the **Opt-Out Employees**. The Employer shall further certify in writing that the information provided is true and accurate to the best of its knowledge and belief. No **Opt-Out Employee** may thereafter be designated as an **Opt-In Employee**, due to change in personal circumstances (e.g., later loss of coverage through a spouse) or otherwise. Rather, only NCB employees who are newly hired after the date of signing of this Participation Agreement shall thereafter be eligible to obtain NCB coverage as an **Opt-In Employee**, and only then in accordance with the terms set forth at Paragraph 4 below.
2. The Employer may first begin contributing on behalf of its NCB **Opt-In Employees**, and such employees shall first become eligible to receive coverage under the Fund, only on the first day of the month that immediately follows the Employer’s signing of both: a collective bargaining agreement with the Union covering Union-represented employees [“CBA”]; and the Employer’s signing of this Participation Agreement, with Exhibits A and B attached. Should the Employer decline to become a contributing employer on behalf of any of its NCB employees at the time of signing its first CBA with the Union, the Employer thereafter shall be permitted to become a contributing employer on behalf of its NCB employees, and its NCB employees shall be permitted to commence participation in the Fund, only upon the first day of the month that immediately follows the Employer’s signing of both a successor CBA with the Union and this Participation Agreement, with Exhibits

A and B attached, designating the **Opt-In Employee** and **Opt-Out Employee** lists.

3. For the Employer's NCB **Opt-In Employees** to remain eligible for Fund benefits, the Employer must continue to employ at least two bargaining unit employees represented by the Union and covered by the terms of a CBA, absent which the Trustees shall immediately terminate the agreement in accordance with paragraph 16 below.
4. For each NCB employee who is newly hired by an Employer after it first signs this NCB agreement and for whom it seeks to obtain coverage as a participant of the Fund, the Employer must notify the Fund in writing within 90 days of that NCB employee's initial hire whether such newly hired employee will participate in the Fund as an **Opt-In Employee**. Such employee shall be eligible to begin participation in the Fund and to receive NB coverage commencing the first day of the month that first succeeds the Employer's prior and timely written notification to the Fund of such newly hired NCB employee's designation as an **Opt-In Employee**. In submitting such documentation, the Employer must further certify in writing that the information provided, including the initial date of hire reflected in the submission, is true and accurate to the best of the Employer's knowledge and belief. Failure by the Employer to designate any newly hired NCB employee as an **Opt-In Employee** within 90 days of initial hire shall automatically render such employee an **Opt-Out Employee** who, in accordance with paragraph 1, shall not thereafter be eligible to obtain NCB coverage from the Fund. The Employer's list of **Opt-In Employees** attached to this Participation Agreement as Exhibit A shall be considered updated to reflect any timely, certified additions made in accordance with this paragraph 4.
5. The Employer must make timely monthly contributions on behalf of its **Opt-In Employees** as a condition of their NCB health care coverage. The current NCB contribution rate is \$1,020 per month for each NCB **Opt-In Employee** and will increase to \$1,050 per month effective 10/1/2023. The Employer acknowledges and agrees that the Trustees of the Fund may, in their discretion and without the Employer's consent, change the governing contribution rate, and the continued eligibility of the Employer's **Opt-In Employees** to receive NCB coverage shall be conditioned upon the Employer's payment of timely, monthly contributions on their behalf at the newly governing contribution rate.
6. To remain as an NCB Employer, the Employer must annually submit to the Fund by no later than January 31 of each calendar year a complete list of all NCB employees on the Employer's payroll effective December 31 of the prior year, with the initial date of hire of each NCB employee listed, along with the original designation of each employees as an **Opt-In Employee** or as an **Opt-Out Employee**, accompanied by a written certification that the information provided is true and accurate to the best of the Employer's knowledge and belief. Failure to submit this certified payroll on a timely, annual basis and/or the submission of payroll information that is determined by the Trustees in their sole discretion to include material misrepresentations of fact shall be grounds for the Trustees to terminate

the Employer's NCB Participation Agreement and to immediately terminate all NCB employees' eligibility and participation in the Fund in accordance with paragraph 16 below.

7. The Employer acknowledges and agrees that its NCB **Opt-In Employees** shall be eligible to receive benefits from the Fund solely in accordance with the terms of this Participation Agreement and based on its timely and complete monthly contributions on their behalf. No NCB employees shall be permitted to continue their eligibility by making personal contributions to the Fund; nor shall any NCB employees become eligible to receive retiree coverage from the Fund, notwithstanding any governing plan provision to the contrary.
8. The Employer agrees to keep adequate payroll and administrative records of each NCB employee's date of hire and hours of service, to document each **Opt-In Employees'** initial and continued eligibility to receive NCB coverage. These records will be provided to the Trustees upon request.
9. Contributions made on behalf of all NCB **Opt-In Employees** must be received by the Fund Office no later than the twenty-fifth (25th) day of the month preceding the month for which benefits are to be extended. (For example, contributions for May must be received by April 25th.) Contributions must be made in the manner established by the Trustees or other designated representative of the Fund. The Trustees shall have the authority to audit the records of the Employer, through the services of a certified public accountant or otherwise, in accordance with the Fund's delinquency and audit procedures to determine whether timely and complete contributions have been made and/or to determine the Employer's compliance with the payroll certification requirements outlined above.
10. By signing this Participation Agreement, the Employer agrees to be bound to the terms and conditions of the Restated Agreement and Declaration of Trust establishing the Fund and any future amendments to the Trust Agreement; the terms of the CBA; the Summary Plan Description ["SPD"] adopted by the Trustees or other designated representative and any rules and regulations governing the participation of NCB Employees; and the decisions of the Trustees or other designated representatives of the Fund in administering the Fund in accordance with the governing documents. The Trust Agreement, Fund SPD and the CBA are incorporated into this Participation Agreement by reference.
11. Failure by the Employer to remit timely and complete contributions on behalf of all NCB **Opt-In Employees** shall be grounds for the immediate termination of such NCB employees' eligibility and participation in the Fund in accordance with paragraph 16 below. Moreover, failure by the Employer to remit timely and complete contributions to the Fund on behalf of its Union-represented employees pursuant to the terms of a CBA, or its failure to cooperate in any payroll audit or in any Fund request for payroll records or payroll certification, or its violation of any provision of this Participation Agreement, the CBA, the SPD or the Trust Agreement governing the Fund, shall be grounds for the

immediate termination of all NCB employees' eligibility and participation in the Fund in accordance with paragraph 16 below. The Employer acknowledges and agrees that, should NCB coverage be terminated based on a contribution delinquency or any other basis stated herein, such termination shall not be considered a COBRA "qualifying event" and its NCB employees shall be not be entitled to COBRA continuation coverage under the Fund.

12. The Employer acknowledges that the Trustees or other designated representatives of the Fund have full discretion and authority to adopt rules governing the participation of NCB Employees in the Fund which may be included in the SPD, the Trust Agreement, and/or other Plan Documents and have the discretionary authority to amend and interpret these rules and documents. Such rules and documents may be amended by the Trustees without the consent of the Employer.
13. The Fund will at all times conform to the requirements of the Internal Revenue Code and all other governing law. The Employer understands and agrees that the Trustees are authorized to take any and all actions which they deem necessary to protect the Plan's tax qualified status and/or to ensure compliance with governing law.
14. The Employer understands that its contributions to the Fund on behalf of its NCB **Opt-In Employees**, and their participation in the Fund are conditioned on the Employer's compliance with the requirements of the Fund and the requirements of law, including the Internal Revenue Code, for that Plan Year. The Employer agrees to provide the information or certifications deemed necessary by the Trustees or other designated representatives. The Employer further understands that, under 26 U.S.C. § 105(h), to ensure that any health benefits received by its "Highly Compensated Employees" are excludable from their gross W-2 income, it must comply with the nondiscrimination provisions of that statute by, for example, engaging in annual nondiscrimination testing. The Employer is advised to consult with its accounting professionals with regard to this requirement.
15. If the Employer fails to provide information or certifications requested by the Trustees or other designated representatives or fails to comply with the requirements of the Fund or with applicable law, the Employer agrees to immediately take appropriate and necessary remedial action as the Trustees or other representative determine. Such action may include the termination of the Employer's NCB Employees from participation in the Fund, or such other action to cure the defect as the Trustees or other representatives and the law prescribe.
16. This Agreement may be terminated by the Trustees for any reason upon thirty (30) days' written notice to the Employer. This Agreement shall otherwise be co-extensive in duration with the terms of each CBA between the Employer and the Union and shall automatically be terminated upon the termination and non-renewal of the CBA between the Employer and the Union, or upon the Employer's failure to sign a successor CBA with the Union.

17. The Employer agrees to pay the Fund's attorneys' fees and costs, including any audit costs, expended in enforcing this agreement.

This Agreement is effective commencing the ____ day of _____, _____.

**IUPAT District Council No. 51
Health & Welfare Fund**

Employer

BY:

PRINT EMPLOYER NAME

DATE:

BY:

DATE:

EXHIBIT A

EMPLOYEE OPT-IN LIST

I certify that **INSERT COMPANY NAME** hereby elects coverage under this Participation Agreement for the following Non-Collectively Bargained Employees:

Company Signature

Date

Name

Name

Please attach additional sheets if necessary

EXHIBIT B

EMPLOYEE OPT-OUT LIST

I certify that **INSERT COMPANY NAME** hereby elects **not** to cover the following Non-Collectively Bargained Employees under this Participation Agreement:

Company Signature

Date

Employee Name

Employee Name

Please attach additional sheets if necessary