

SPECIAL PLAN PARTICIPATION RULES/POLICY
Laborers Health and Welfare Trust Fund of Northern California

Definition of a Special Plan Employer: A "Special Plan Employer" is an employer who is signatory to a collective bargaining agreement with the Union and who is **electing to provide benefits to non-bargained employees** by executing a Participation Agreement with the Health and Welfare Trust Fund. The Special Plan Employer is obligated to contribute on behalf of all non-bargained employees for any work month that the non-bargained employees are on the Employer's payroll.

No Opt Out provision: The Special Plan does not allow individual employees/participants to decline or defer coverage. If the Special Plan Employer signs a Participation Agreement to provide coverage for non-bargained employees under the Special Plan, the Special Plan Employer **must enroll all non-bargained employees** under the Special Plan including the owner. Failure to cover all eligible employees, as described in these Participation Rules, will result in the Special Plan Employer becoming delinquent with respect to the contributions due for such eligible employees under the Special Plan; and if found during an audit, the Special Plan Employer will be billed for those eligible employees' coverage months.

Union Membership: All employees, on whose behalf contributions are being made under the Special Plan shall voluntarily become members of the appropriate affiliate NCDCL local union and **maintain said membership during the entire period during which payments are being made on their behalf.**

Eligibility: It is expressly understood that no employee shall be eligible for the benefits of the Special Plan during any month unless and until the Special Plan Employer has made the required contributions in full to the Laborers Health and Welfare Trust Fund for Northern California ("Trust Fund") on the employee's behalf for the month worked. The contribution rate is the same regardless of the number of hours worked during the work month. **Initial eligibility for employees is provided on the first day of the second month following the month worked (i.e. worked contribution month of APRIL provides Plan coverage effective on JUNE 1st).**

The Trust Fund may only accept contributions from a Special Plan Employer provided the Trust Fund's Board of Trustees has approved that Special Plan Employer's participation in the Special Plan and the Special Plan Employer has signed the required Participation Agreement.

Under the Special Plan enrollment rules, employees/participants are automatically enrolled in the Special Plan provided they have satisfied the eligibility requirements in Article II, Section 2.a. of the Trust Fund Special Plan Rules and Regulations, as amended. The Special Plan does not allow employees/participants to decline or defer coverage. If the Special Plan Employer requests coverage for non-bargained employees, the Special Plan Employer must enroll all employees. Failure to cover all eligible employees will result in the Special Plan Employer becoming delinquent with respect to the contributions due.

Payment of Contributions: Time is of the essence in the filing of fringe benefits reports and payment of all contributions due. Reports and payments are due no later than the **15th day of the month** following the work month and are delinquent for purposes of assessing liquidated damages if not received by the 25th day of the month following the work month. The Special Plan Employer is to make checks payable to the Laborers' Health and Welfare Trust Fund for Northern California pursuant to the terms of the Trust Fund Trust Agreement.

SPECIAL PLAN PARTICIPATION RULES/POLICY

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Payments received by the Trust Fund from Special Plan Employers will be applied to the payment of contributions on behalf of bargaining unit members covered under a collective bargaining agreement first before the application of contributions to employees who are covered under the Special Plan Agreement. Thus, if the Special Plan Employer is delinquent in the payment of contributions for a particular month, Participants in the Special Plan may lose coverage for that month. Moreover, Special Plan Employers who are delinquent in the making of payments to the Trust Fund may lose the ability to participate in the Special Plan.

The Board of Trustees to the Trust Fund reserves and retains all rights and remedies with regard to revising, terminating and amending Special Plan Agreements.

SPECIAL PLAN PARTICIPATION RULES/POLICY
Laborers Health and Welfare Trust Fund of Northern California

Application of Payments: Any contribution payments received from a Special Plan Employer shall be attributed in the following order, regardless of how such payments are characterized by the Special Plan Employer, and disregarding any attempt by the Special Plan Employer to attach conditions to such payments that are contrary to these procedures:

- a. **First**, to delinquent contributions and any related amounts (*e.g., interest and liquidated damages, as applicable*) owed for prior months hours worked under the N.CA Laborers' Master Labor Agreement; any other NCDCL Labor Agreement; or any other Labor Agreement with an affiliate of the NCDCL, which requires contributions to be made on behalf of plan participants.
- b. **Second**, to delinquent contributions and any related amounts (*e.g., interest and liquidated damages, as applicable*) owed for participation in the Special Plan administered by the Board of Trustees.

New Employer Request: Any employer newly signed to a collective bargaining agreement is required to wait 12 months before they are able to submit a Participation Agreement to the Board of Trustees for approval to participate in the Special Plan. The following criteria is required to be considered for eligibility:

- a. The employer's account must be in good standing.
- b. The employer must be actively reporting members for at least 8 months.
- c. The employer must signatory to a Northern California LiUNA collective bargaining agreement.

Administrative Handling: The processing of a Special Plan Participation Agreement is as follows:

1. Any employer desiring to participate in the Special Plan must petition their respective Local Union Representative/Business Manager for a Participation Agreement;
2. the Local Union will submit the employer's executed Participation Agreement to the Northern California District Council of Laborers for processing;
3. once processed the Northern California District Council of Laborers will forward the signed Participation Agreement to the Laborers Funds Administrative Office;
4. The Laborers Funds Administrative Office will submit the Participation Agreement to the Trust Fund's Board of Trustees for approval;
5. The employer will be notified of the Board of Trustees decision in regards to their request to participate in the Special Plan. When the timeliness of a request is made between scheduled Board of Trustees meetings, Laborers Funds Administrative Office may facilitate approval processing with the Trust Fund Board of Trustees' Chairman and Co-Chairman, who are authorized to approve under this Policy.

Termination of Participation Agreement: The Participation Agreement may be terminated, or rescinded in whole or in part effective immediately by the Trust Fund and/or the Union in the following circumstances:

SPECIAL PLAN PARTICIPATION RULES/POLICY
Laborers Health and Welfare Trust Fund of Northern California

1. if the Special Plan Employer fails to report each employee in accordance with these Participation Rules;
2. if the Special Plan Employer fails to submit timely reports for covered employees in accordance with these Participation Rules, as well as for employees covered under any applicable collective bargaining agreement with the Union;
3. if the Special Plan Employer fails to timely remit contributions owed for covered employees in accordance with these Participation rules, as well as for employees covered under any applicable collective bargaining agreement with the Union;
4. and/or if the Special Plan Employer rescinds, revokes, or abrogates from any applicable collective bargaining agreement with the Union.

In the event of termination of an underlying collective bargaining agreement, the Participation Agreement will be deemed terminated the first day of the month following the termination of that collective bargaining agreement.

In the event that a covered employee becomes eligible for Medicare Part A or B, a request may be submitted, at least 30 days in advance by the employer, to the Board of Trustees for approval to remove the participant from Special Plan coverage and the employer's obligation to contribute for that employee.

In the event an Employee's coverage is terminated, by either no longer being employed by the Special Plan Employer or by having become eligible for Medicare and received approval by the Board of Trustees to be removed from participating, that Employee's coverage will terminate on the last day of the calendar month following the last work month for which the Special Plan Employer contributes on the employee's behalf unless a former employee elects COBRA coverage. The contribution rate required is not dependent on the number of hours worked by an employee. The contribution rate is set by the Board of Trustees and may be adjusted by the Board of Trustees from time to time.

Under these Participation Rules and the Participation Agreement, the Special Plan Employer must make required contributions on behalf of its covered employees in the first month following the work month to provide the employees eligibility for benefits in the second month following the work month. *I.e. an employee whose last work month is September, will have contributions paid in October which will provide eligibility for benefits through the end of November.* A Special Plan Employer who fails to make timely contributions for all employees as required will be deemed delinquent.

On behalf of the Board of Trustees of the Health and Welfare Fund, the Special Plan Participation Agreement Rules/Policy outlined herein are approved for implementation.


Bill Koponen, Chairman

9.10.19
Date Executed


Oscar De La Torre, Co-Chairman

9.10.19
Date Executed

Ratified for adoption at the Board of Trustees Meeting held on: 9.10.19