



TO: SMACNA Bargainers in 2015
FROM: Labor Relations Department
RE: Industry Fund

SMACNA recommends that chapters have in place a means of protecting their funding in the event that Industry Fund language is eliminated. Two documents that may be useful to consider adopting are SMACNA's sample Continuation of Service Agreement and a suggested Bylaw Provision which follow on the next page.

ATTACHMENT D

SUGGESTED ASSOCIATION BYLAW PROVISION

ARTICLE _____

OBLIGATION OF MEMBERS TO PROVIDE CONTINUED FINANCIAL SUPPORT

AUTOMATIC DUES INCREASE

- (1) The activities of the Association are supported by membership dues, as well as local and national industry fund contributions made in accordance with the provisions of collective bargaining agreements that have been negotiated pursuant to Article (*insert appropriate bylaw reference*). It is essential that the Association receives continuous financial support even though the obligation to make Industry Fund contributions is interrupted as a result of a labor dispute, including the elimination of such obligation at the insistence of the Union. In the event that the contractual obligation to contribute to the local industry fund, or the Industry Fund of the United States (IFUS), is eliminated, either directly or indirectly, from any such collective bargaining agreement, a member's dues shall automatically be increased by the hourly contribution amount that is equivalent to what the member would pay as industry fund contributions under the terms of such agreement, if such a contractual obligation had remained in effect. Such increased dues shall remain in effect until such increased dues are suspended or modified by action of the Board, and they shall be transmitted to the Association, accompanied by appropriate reporting forms, at such times and in such manner as may be specified by the Board. Any portion of such dues resulting from the elimination of the contractual obligation to contribute to the Industry Fund of the United States shall be remitted to IFUS by the Association on or before the 20th day of the succeeding month, in the manner specified by the trustees of IFUS.

SURVIVAL OF CERTAIN FINANCIAL OBLIGATIONS BEYOND RESIGNATION OF MEMBERSHIP

- (2) A past member's obligation to pay dues referenced in (1) shall continue during the term of any such collective bargaining agreement actually in effect on the date that the member tenders its resignation from the Association, and, during the term of any subsequent collective bargaining agreement, contract modification, or extension that is being negotiated by the Association as of the date that such resignation is tendered. This obligation of the member is fixed as of the date that the resignation is tendered, and it shall be discharged by making the dues contributions referenced in (1) through the termination date of the collective agreement, contract modification, or extension that is negotiated by the Association having the latest expiration date.
- (3) In the event that there is reasonable cause to believe that a member is not paying the proper amount, the Association may require such employer to make available for examination such records as may be necessary to determine whether the amount paid is correct. The records may be examined by a representative authorized by the trustees. In

the event that the Association brings any action to enforce the obligations of this Article, including legal proceedings in any court, the Association shall be entitled to recover all of its costs, expenses, and attorney's fees in the matter. These remedies shall be in addition to any that may be set forth in the collective bargaining agreement, and the Association need not exhaust any remedies in the collective bargaining agreement prior to the commencement of any legal proceeding.

ATTACHMENT E

CONTINUATION OF SERVICE AGREEMENT

THIS AGREEMENT is entered into by and between the Sheet Metal and Air Conditioning Contractors' National Association, Inc. (hereinafter referred to as "SMACNA"), and the _____ (Name of Local Association) _____ (herein referred to as "Association") and _____, a contractor actively engaged in the Sheet Metal Industry (hereinafter referred to as "Contractor").

WHEREAS, the Contractor is directly and/or indirectly accruing benefits from services performed by SMACNA and _____ (Name of Local Association) _____, and

WHEREAS, the Contractor wishes to assure the continuation of programs to advance the Sheet Metal Industry, and

WHEREAS, Contractor now contributes monetarily to the advancement of the Sheet Metal Industry and wishes to continue making such contributions to the advancement of the Sheet Metal Industry.

NOW, THEREFORE, in consideration of the premises herein and in consideration for the mutual benefits to be received by the parties hereto, it is agreed as follows:

1. Contractor shall pay to the _____ (Name of Local Association) _____ an amount equivalent to the total contribution required by the trustees of the local industry fund and the industry fund of the United States for each hour worked by each employee covered under the Contractor's Collective Bargaining Agreement(s) with the Sheet Metal Workers International Association and/or the local union(s) thereof.

2. Contractor shall remit the contributions required by Paragraph 1 of this Agreement as directed by the Board of Directors of the Association. The Association agrees that from these contributions it shall remit to SMACNA an amount equivalent to the contribution required by the trustees of the Industry Fund of the United States.

3. This Agreement shall remain in full force and effect for a minimum period of three years from the date hereof. Thereafter, this Agreement shall continue for additional periods of one year each unless and until one of the parties shall provide notice of its intention to terminate this Agreement to the other two parties. Such notice must be in writing and deposited in the United States Mail at least ninety (90) days prior to the expiration date of this Agreement and at least ninety (90) days prior to the expiration date of any then current labor agreement between Contractor and SMWIA and/or the local union thereof.

4. This Agreement shall not alter or affect the contractor's present obligation, if any, to continue making contributions to the _____ Industry Fund and/or the SMACNA-IFUS pursuant to any existing labor agreement. The contributions to the associations as required by Paragraphs 1 and 2 of this Agreement shall be

suspended during such time that the Contractor is obligated by any labor agreement with the Sheet Metal Workers International Association/International Association of Sheet Metal, Air, Rail and Transportation Workers or local union thereof to make contributions to said industry fund(s); it being the purpose of this Agreement to assure the uninterrupted payment of such contributions even though the Contractor's obligation under any labor agreement to so contribute is terminated.

5. All contributions paid pursuant to this Agreement shall be utilized by the Board of Directors of _____ (Name of Local Association) _____ and SMACNA in accordance with the purposes as provided in the Constitution and By-Laws of the said associations.

6. The Contractor shall receive financial reports from the Association and SMACNA disclosing how the monies have been used for the advancement of the industry.

7. Whenever the contribution requirements of Paragraphs 1 and 2 of this Agreement become effective, the Contractor shall, if not a member of the Association and/or SMACNA, automatically be entitled to become a member of both organizations with attendant rights and privileges and subject to applicable membership duties and responsibilities.

IN WITNESS WHEREOF, the local parties have signed this Agreement this _____ day of _____, 20____.

Name of Local Association

By _____

Name of Contractor

By _____