

Second ALTERNATIVE OPTION LANGUAGE

ARTICLE VIII

SECTION 18

This **Article/Section** relates to the Employer's obligation to contribute to the Sheet Metal Workers' National Pension Fund ("NPF").

- a) The Parties to this Agreement adopted the NPF's Second Alternative Option of the Funding Improvement Plan (FIP) in effect on the date this Agreement was entered into. The Employer will contribute to the NPF at the hourly rates set forth in this Agreement, in accordance with the FIP Second Alternative Option and the NPF's Trust Document (copies of these documents have been made available to the parties and are available at www.smwnpf.org). The Second Alternative Option and the NPF Trust Document, as amended, are incorporated into this Agreement.

[contribution increases allocated/reallocated out of existing wage/fringe package]

- b) The Second Alternative Option of the FIP requires annual Contribution Rate increases of 3.5% through 2017. As of the date this Agreement was entered into, it was unknown if any Contribution Rate increases will be required under the FIP after 2017. In the event that the NPF Trustees determine that Contribution Rate increases are necessary after 2017, monies shall be automatically allocated from the existing wage and fringe package, and/or reallocated from any increases to the wage and fringe package provided for under this Agreement, to NPF required contributions in an amount sufficient to cover the Contribution Rate increase(s) required by the FIP.
- c) The Employer will pay its required monthly NPF contributions no later than the 20th day of the month, after the month in which Covered Employment was performed. Failure to pay on time and in full will constitute a delinquency and subject the Employer to interest, liquidated damages, fees and costs as set forth in the Trust Document.
- d) **((where applicable))** The Employer shall transmit contributions and remittance data electronically via the National Benefit Funds' secure online Internet Payment System ("IPS"), accessible at www.smwnbf.org (contact the IPS Support Team via email at ips@smwnbf.org or by calling 800-231-4622).

Alternatives to section (b) above:

[parties will reopen to negotiate allocation/reallocation]

- (1) The Second Alternative Option of the FIP requires annual Contribution Rate increases of 3.5% through 2017. As of the date this Agreement was entered into, it was unknown if any Contribution Rate increases will be required under the FIP after 2017. In the event that the NPF Trustees determine that Contribution Rate increases are necessary after 2017, the

Parties shall reopen the Agreement for the sole purpose of negotiating an allocation of the existing wage and fringe package, and/or a reallocation from any increases to the wage and fringe package provided for under this Agreement, to NPF required contributions so as to provide for an amount sufficient to cover the Contribution Rate increase(s) required by the FIP.

[parties will reopen to negotiate]

- (2) The Second Alternative Option of the FIP requires annual Contribution Rate increases of 3.5% through 2017. As of the date this Agreement was entered into, it was unknown if any Contribution Rate increases will be required under the FIP after 2017. In the event that the NPF Trustees determine that Contribution Rate increases are necessary after 2017, the Parties shall reopen the Agreement for the sole purpose of negotiating over Contribution Rate increase(s) required by the FIP.

[parties will split 50/50]

- (3) The Second Alternative Option of the FIP requires annual Contribution Rate increases of 3.5% through 2017. As of the date this Agreement was entered into, it was unknown if any Contribution Rate increases will be required under the FIP after 2017. In the event that the NPF Trustees determine that Contribution Rate increases are necessary after 2017, the amount required by the Contribution Rate increase(s) shall be split 50/50. An amount equivalent to 50% of the total required Contribution Rate increase(s) shall be allocated from the employees' existing base wage, and/or reallocated from any increases to the wage, to NPF required contributions. The employer shall be responsible for the remaining 50% of the Contribution Rate increase.

[parties will reopen to negotiate change in schedule]

- (4) The Second Alternative Option of the FIP requires annual Contribution Rate increases of 3.5% through 2017. As of the date this Agreement was entered into, it was unknown if any Contribution Rate increases will be required under the FIP after 2017. In the event that the NPF Trustees determine that Contribution Rate increases are necessary after 2017, the Parties shall reopen the Agreement for the sole purpose of renegotiating the schedule or option adopted under the FIP and any Contribution Rate increase(s) required by the newly adopted schedule or option. (NOTE: *the parties should review the NPF's Notice of FIP changes to determine what actions the NPF will allow parties to take in the event of continuing increased contribution levels past 2017 and when they may select another schedule. Alternatively you should contact the NPF.*)