



**SHEET METAL WORKERS'
NATIONAL PENSION FUND**
3180 Fairview Park Drive, Suite 400
Falls Church, VA 22042

February 2021

Under the Funding Improvement Plan, the Trustees have determined that the following increases are due if the bargaining parties elect to adopt or maintain one of the following Options:

- The First Alternative Option requires a 2% Contribution Rate increase for 2021 and 2022.
- The Second Alternative Option requires a 1% Contribution Rate increase for 2021 and 2022.
- The Default Option does not require any Contribution Rate increase.

Please be advised that ALL increases are due as of your established allocation, anniversary, or due date - or in the case of protracted negotiations, retroactive to this date. If an increase is delayed for any reason, the bargaining parties must apply to the Trustees for approval.

This is also to serve as notice that the Trustees have determined that, barring any catastrophic event affecting the Fund, there is no mandated increase for 2023.

If there are any questions regarding Contribution Rate increases, or if you are contemplating making changes in your CBA that *may* have an effect of reducing an Employer's obligation, contact the Fund Office in advance.

NOTE: Once the bargaining parties have elected to reduce the level of benefits, **this decision is irrevocable**. This means a CBA that adopted the Default Schedule may not elect a First or Second Alternative Option. Nor may the bargaining parties that adopted the Second Alternative elect the First Alternative Option.

Federal law and the FIP restricts CBAs that attempt to provide for a reduction in NPF contributions, a suspension of contributions, or any direct or indirect exclusion of younger or newly hired workers. Just to cite a few examples, the bargaining parties may not:

- change an NPF obligation from "hours paid" to "hours worked"
- reduce the apprentice graduated scale
- reduce an NPF Contribution Rate for "under-utilized work" or for outlying geographical areas
- create a new "probation/no contribution period"

You can obtain a copy of the Funding Improvement Plan ("FIP") on our website, www.smwnpf.org. The bargaining parties should update the CBA language to reflect the applicable Option, e.g. First Alternative Option, Second Alternative Option, or Default Option; however, an Option will be deemed to be adopted based on the amount of an increase.

Should you have any questions please contact me (lwood@smwnbf.org) or Debbie Elkins (delkins@smwnbf.org) at the Fund Office.