

Industry Fund Contributions: CBAs, Wage Sheets & Negotiations

Industry Fund contributions are, at times, viewed differently by labor and management. Management views them as contractual obligations setting forth contractor payments to support programs of industry education, training, negotiation and administration of the collective bargaining agreement, research and other activities to expand the market, improve the contractors' businesses, and promote work opportunities. Occasionally, some local Labor representatives will maintain that industry fund contributions are part of the man's package. This difference can lead to conflict between labor and management when an increase to the industry fund is sought.

The difference in how the industry fund contribution is seen may be perpetuated by how the contribution is characterized on the collective bargaining wage sheet. Some areas list the industry fund along with employee fringe benefits to arrive at a "Total Wage and Fringe Package". However, we recommend you consider listing it separately from the total wage & fringe package. Here is an example of how some areas handle this issue:

Hourly taxable wage:	\$50.79
NPF	\$6.49
Local Pension	\$3.39
JATC	\$1.30
Health & Welfare	<u>\$4.69</u>
Total Wage & Fringe Package:	\$66.66
Employer Contribution to the Industry Fund of the United States (IFUS)	\$0.12
Employer Contribution to the Local Industry Fund	<u>\$0.27</u>
Total Contractual Expense:	\$67.05

Remember also that the SFUA A-08-11 contains language which provides that the amount of the IFUS and Local Industry Fund Contributions shall be the hourly contribution rate established by the trustees of those funds. With this language, employer contributions to the industry fund are insulated from the give and take of the bargaining process as are union members' deductions for dues assessments and service fees. The relevant language for industry fund contributions is as follows:

IFUS – SFUA Article VIII, Section 12(b):

(b). The Employer shall pay the Sheet Metal and Air Conditioning Contractors' National Industry Fund of the United States (IFUS) the hourly contribution rate established by the IFUS trustees. The IFUS trustees shall notify the Sheet Metal Workers' International Association of any changes to the established contribution rate prior to such change becoming effective. The Employer shall contribute said amount for each hour worked on and after the effective date of this Agreement by each employee of the Employer covered by this Agreement. Payment shall be made on or before the 20th day of the succeeding month and shall be remitted to IFUS, 4201 Lafayette Center Drive, Chantilly, Virginia 20151-1219, or for the purpose of transmittal, through (Name of local remitting organization.)

Local Industry Fund, SFUA Article VIII, Section 13(b):

(b). The Employer shall pay to the (Name and address of local industry fund) the hourly contribution rate established by the trustees of such local industry fund. The trustees of the local industry fund shall notify the local union of any changes to the established contribution rate prior to such change becoming effective. The Employer shall contribute said amount for each hour worked on and after the effective date of this Agreement by each employee of the Employer covered by this Agreement. Payment shall be made monthly on or before the 20th day of the succeeding month.

Making these changes in your next collective bargaining agreement and wage sheets may help deter suggestions that industry funds are a part of the employee fringe benefit package.

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