



SHEET METAL & AIR CONDITIONING
CONTRACTORS' NATIONAL ASSOCIATION

INDUSTRY TRENDS UPDATE

January 2025

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Assistant Director, Labor Relations



INDUSTRY TRENDS

Current Length of Industry Agreements

- 53% or 60 area agreements are 3 years in length
- 23% or 26 area agreements are 4 years in length
- 18% or 20 area agreements are 5 years in length
- 3% or 3 area agreements are longer than 5 years in length
- 4% or 5 area agreements are less than 3 years in length





2024 YEAR IN REVIEW

- 39% of chapters projected increased work-hours.
- 39% of chapters expected work-hours to decrease.
- 22% of chapters projected that work-hours would remain steady.





2024 “All Construction Crafts” Settlements

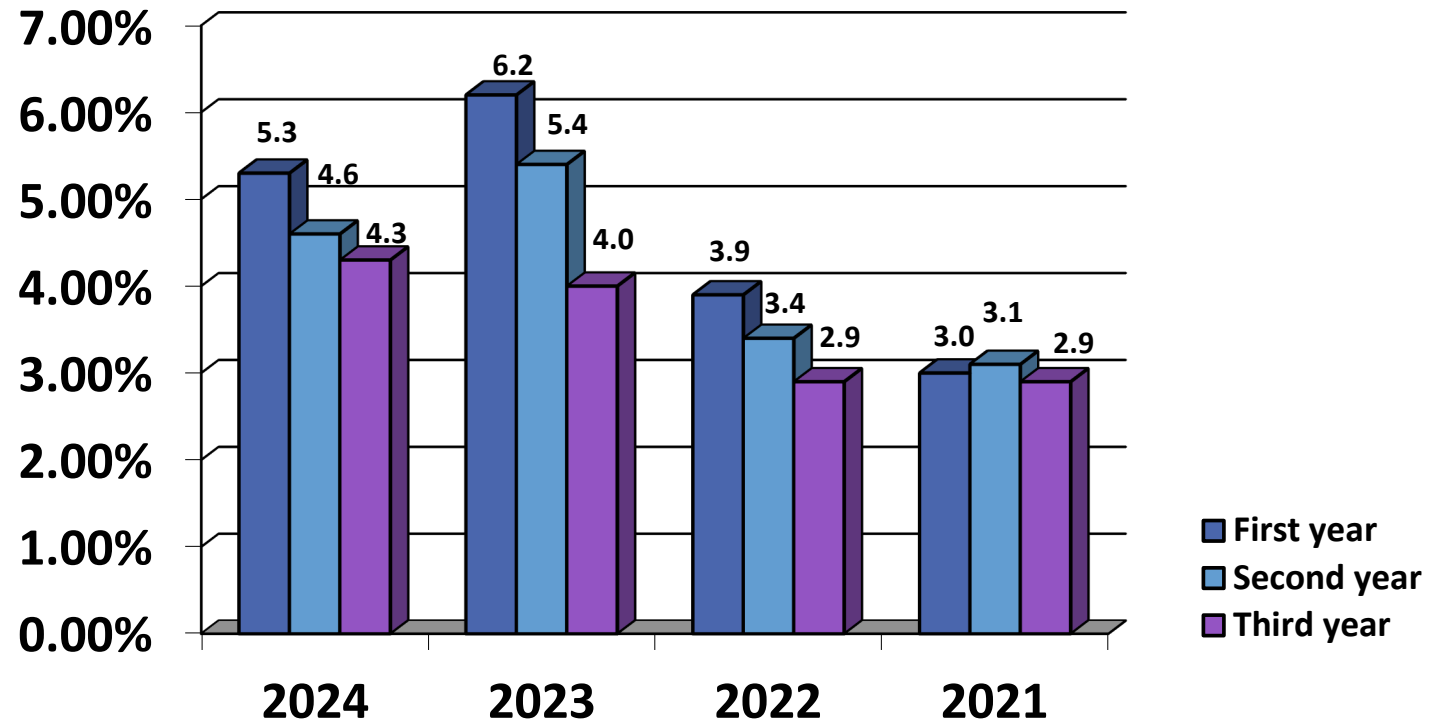
	Year 1	Year 2	Year 3
Percent	4.9%	4.2%	4.0%
Dollars	\$3.01	\$2.78	\$2.81





2024 SHEET METAL SETTLEMENTS

**2024 Average
Wage/Fringe
Increases
Compared to 2023,
2022 and 2021**





2024 Sheet Metal Settlements by Region

		Year 1	Year 2	Year 3	Year 4	Year 5
East	Percent	4.3%	3.5%	3.7%	3.5%	3.6%
	Dollars	\$3.64	\$3.33	\$3.56	\$3.52	\$3.66
South	Percent	3.5%	3.5%	2.9%	2.3%	N/A
	Dollars	\$1.70	\$1.76	\$1.47	\$1.06	N/A
Midwest	Percent	5.9%	5.1%	4.7%	4.3%	N/A
	Dollars	\$3.52	\$3.23	\$3.17	\$3.57	N/A
West	Percent	4.9%	4.3%	4.2%	3.7%	3.8%
	Dollars	\$3.98	\$3.83	\$4.05	\$3.85	\$4.10

Source: SMACNA National



2024 Plumbers and Pipefitters Settlements

	Year 1	Year 2	Year 3
Percent	5.8%	4.5%	4.5%
Dollars	\$3.91	\$3.25	\$3.46





2024 ALLOCATION OF TOTAL PACKAGE

- Average 2024 percentage of increase allocated to fringes was 29%.
- Most respondents (89%) indicated that 50% or less of the increase went to fringes, while 11% indicated that 51% or greater of the increase went towards fringe benefits.



Length of 2024 Sheet Metal Contracts





OTHER INDUSTRY TRENDS

- 73% of chapters have Article X, Section 8 in their agreements.
- Local parties have been more successful in resolving issues at home.





Grievances Progressing to Art. X, Sec. 3 Panel Level

2001 – 15	2013 – 6
2002 – 22	2014 – 6
2003 – 23	2015 – 4
2004 – 26	2016 – 9
2005 – 13	2017 – 7
2006 – 12	2018 – 11
2007 – 14	2019 – 9
2008 – 8	2020 – 4
2009 – 16	2021 – 7
2010 – 17	2022 – 3
2011 – 10	2023 – 8
2012 – 9	2024 – 3



NPF FUNDING

Plan Year	2024	2023	2022	2021	2020	2019	2018
Valuation Date	Jan 1, 2024	Jan 1, 2023	Jan 1, 2022	Jan 1, 2021	Jan 1, 2020	Jan 1, 2019	Jan 1, 2018
Funded Percentage	85.6%	84.5%	81.5%	75.6%	70.0%	66.5%	63.0%



CONTRIBUTION RATES BEYOND 2024

2025:

- First Alternative: 2% Increases Required
- Second Alternative: 1% Increases Required

2026:

- 2026 no increases
- Beyond 2026 TBD





2025 NJAB DATES

- **2025 NJAB Dates**

June 10-11, 2025 | Minneapolis, MN

Cut-off date for submissions is Tuesday, May 20, 2025. Submissions mailed between May 16-20 must be sent via overnight mail service to: NJAB, 4201 Lafayette Center Drive, Chantilly, VA 20151.

September 24-25, 2025 | San Diego, CA

Cut-off date for submissions is Wednesday, September 2, 2025. Submissions mailed between Aug. 29-September 3 must be sent via overnight mail service to: NJAB, 4201 Lafayette Center Drive, Chantilly, VA 20151.

NJAB Address:
P.O. Box 220956
Chantilly, VA 20153-0956

Street Address:
4201 Lafayette Center Drive
Chantilly, VA 20151-1209

*73% of Local CBAs contain Article X, Section 8



2025 BARGAINERS CONFERENCE CALL DATES

The calls are scheduled for:

- March 11th
- April 15th
- May 13th
- June 17th

All the calls start at 11:00 a.m. Eastern time. Contact Maggie Powers at mpowers@smacna.org or Caroline McGraw at cmcgraw@smacna.org if you would like to participate on those calls.



WHAT TO EXPECT DURING THE 2025 BARGAINING SEASON



2024 SHEET METAL SETTLEMENTS

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Percent	5.3%	4.6%	4.3%	3.7%	3.6%	3.8%
Dollars	\$3.51	\$3.24	\$3.24	\$3.54	\$3.74	\$4.10

Source: SMACNA National



2025 WORK-HOUR FORECASTS

- 29% of chapters are projecting increased work-hours.
- 62% of chapters expect work-hours to decrease.
- 10% of chapters are projecting that work-hours will remain steady.



2025 Health Care Projections

Medical	
Indemnity	N/A
PPO	7.9%
HMO	7.8%

Rx Drugs	
Retail	11.4%
Mail Order	13.3%

Dental	
Indemnity	5.0%
Dental Provider Org.	4.5%
Dental Maint. Org.	3.5%



Source: 2025 Segal Health Plan Cost Trend Survey



SMART REVIEW OF LOCAL CBAs

SMART “Basic Minimum Required Provisions of the SFUA”:

- Scope (Article I)
- Subcontracting (Article II)
- Classifications of Workers & Letters of Assignment (Article III)
- Traveling Contractors/2 Man Rule (Article VIII, Sec. 6)
- Definition of “wage scale” (Article VIII, Sec. 7)
- Health Coverage when working temporarily outside jurisdiction (Article VIII, Sec. 8)
- Employ at least 1 journeyman who is not a member of the firm (Article VIII, Sec. 2)
- ITI, NEMIC & SMOHIT Contributions on ALL Classifications (Article VIII, Sec. 15)
- Reopener for SFUA Amendments (Article XVI, Sec. 3)



POTENTIAL SMART NEGOTIATING ISSUES

Other SMART Proposals Encountered by SMACNA Chapters in Bargaining:

- Union Label Language
- Ratios for all SFUA Classifications
- Integrity Clause
- Wage Equalization Issues:
 - Crew Cost Method
 - Eliminate Air Pollution Control Exemption
 - Eliminate Spiral Exemption



EXAMPLES OF FAVORABLE LOCAL CONTRACT LANGUAGE

- Reduce or Eliminate Ratios (New Mexico, Colorado)
- Increases tied to work-hours (New Mexico, Colorado, North Carolina)
- Increases tied to pandemic (Florida)
- Sick Leave Wavier (Washington State)
- Increases tied to mandatory safety training (Texas)
- Overtime
 - Saturday make-up day
 - Overtime after 40 hours
- Flexible work weeks
- Specialty agreements



EXAMPLES OF FAVORABLE LOCAL CONTRACT LANGUAGE, CONT'D.

- Classified Worker
- 4th Year Apprentice working alone
- Reduce Foreman and General Foreman Premiums
- Reduce or eliminate clauses that require pay for time not worked clauses- i.e., show up, stand-by and on-call pay
- Travel Pay
- Management Rights Clauses
- Favored Nations Clauses
- Benefit Allocation
- Pandemic safeguard language (Florida)



SMACNA Bargaining Resources

- [SMACNA Chapter Agreements](#)
- [Database on contract terms and conditions](#)
- Specialty agreements on file
- Immediate e-mail notification of settlements
- [Pension Information](#)
- LM-10/LM-30 Information
- [Bargainers Community](#)
- CLRC Employment Share Reports by Collective Bargaining Area (will be distributed in January 2023 to Chapters)
- [Substance Testing Guidelines](#)



Additional Bargaining Resources

- [Wage and Fringe Database](#)
- [Residential Wage and Fringe Database](#)
- [Examples of Favorable Contract Language](#)
- [Vaccine Resources](#)
- [Annual Labor Report](#)
- [Annual Bargainers Update](#)
- Call the SMACNA Labor Relations Staff to discuss proposals, ask for legal analysis and request custom research
- [SMACNA Website](#)



CLRC RESOURCES

1. Union-Nonunion Wage and Fringe Benefits Comparison
2. Contract Cost Analysis
3. Wage and Fringe Benefits Benchmarking

**Each of these reports is being offered at a discounted price for SMACNA Chapters and members. Place your order for any of the reports by e-mailing the CLRC at clpeters@clrcconsulting.org.



SMACNA NATIONAL LABOR RELATIONS POLICY AND STRATEGY STATEMENT

SMACNA is a national association, a collection of 102 Chapters and nearly 2,000 individual sheet metal and air conditioning contracting firms. Each of these entities may have differing labor relations philosophies, policies and priorities. SMACNA's goal in labor relations is to provide these entities with resources and support to achieve outcomes that support growth for both individual contractors and the unionized sheet metal industry as a whole.

This approach requires a balance between, on the one hand, a cooperative and constructive relationship with SMART, and, on the other, firm support for strategies that enhance the ability of contractors to compete in the marketplace, and opposition to those that do not.

There are often times competing visions between SMACNA and SMART. Finding common ground, exploring compromises, and cooperative problem solving have historically been SMACNA's priorities when these differing views arise. However, SMACNA must also confront initiatives and strategies which it views as detrimental to the ability to compete with non-union contractors and impeding expansion of the unionized sheet metal industry.



SMACNA NATIONAL LABOR RELATIONS POLICY AND STRATEGY STATEMENT, CONT'D.

SMACNA's labor relations policy is guided by the following:

- Advocating contractor, customer and industry needs to SMART on important issues including competitiveness, productivity, flexibility, industry stability, training and manpower needs;
- Giving strong consideration to the impact on SMACNA contractors' customers when formulating SMACNA labor relations policies and strategies;
- Maintaining a continuous dialogue with SMART to foster open communication, mutual understanding, joint problem-solving and avoid surprises; and
- Actively engaging with Chapters and Members to provide the resources, information and education to manage labor relations on the local level with their local unions and their employees.

This strategy is flexible, and by its very nature must be, in order to adjust to changes in SMART's leadership and its priorities and initiatives, technology, market conditions, legislative and regulatory areas, among others. But the overarching framework never changes: in approaching any labor relations issue, SMACNA aims to serve the best interest of the largest majority of its members that will be impacted by the issue.

SMACNA's Labor Committee and Labor Relations Staff are tasked with carrying out this policy. SMACNA's Board of Directors ensures that it is executed accordingly, and evaluates and applies this strategy to issues as they arise.



THANK YOU AND GOOD LUCK!

Let the Labor Relations Staff
know how we can help!

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