# **LIAISON ALERT**

# **MARCH 2019**



## YOUR GUIDE TO PARTICIPATION AGREEMENTS

A NEBF Participation Agreement allows a contributing employer the ability to make NEBF contributions on behalf of its non-bargaining unit employees. A non-bargaining unit employee is not part of the bargaining unit or is not performing work that is covered by the Collective Bargaining Agreement which contains the NEBF Standard Contract Language.

There are two types of Participation Agreements:

<u>All</u>

An "All" Agreement covers each and every employee not covered by the collective bargaining agreement — this includes all full-time and part-time employees.

#### <u>Alumni</u>

An "Alumni" Agreement covers each and every employee who has earned at least one service credit under an IBEW collective bargaining agreement.

To start contributing to the NEBF on behalf of non-bargaining unit employees, an employer should download a Participation Agreement and Reporting Procedures from the NEBF website or call Employer Services at 301-556-4300. NEBF will require that the employer sign two copies of the Participation Agreement and provide a list of the employees who will be covered under the agreement (Non-Bargaining Unit List). Once received, the Fund Office will sign one of the copies and return it to the employer for their records. Employers should ensure that the signed Participation Agreement has been received from the NEBF Fund Office before any non-bargaining employees are reported or contributed on.

### **REPORTING PROCEDURES FOR NON-BARGAINING UNIT EMPLOYEES**

- 1. In order to contribute on behalf of non-bargaining unit employees, Covered Employers must enter into an NEBF Participation Agreement. NEBF must approve and co-sign the agreement.
- 2. All applicable employees, including each and every temporary and part-time employee, must be reported in accordance with the option selected on the NEBF Participation Agreement.
- 3. The employer must use the applicable classification codes in accordance with the type of Agreement signed when reporting non-bargaining unit employees. The class codes are as follows:

Code	Classification
26	All Non-Bargaining Unit Employees
27	Alumni Employees

- 4. *Actual hours* for the reporting period must be reported for each non-bargaining unit employee, including holiday, sick, and vacation hours.
- 5. *Actual or capped gross earnings* for the reporting period must be reported for each non-bargaining unit employee, including holiday, sick, and vacation pay.

When an individual earns more than a full-time journeyman in any reporting period, the gross earnings on which the NEBF contribution is made for that reporting period will be "capped". The monthly Reportable Earnings Cap is calculated by using the journeyman's wage rate (JWR), as outlined in the appropriate collective bargaining agreement (CBA), multiplied by the hours specified in the CBA. Please note that each time the JWR changes, the Reportable Earnings Cap will also change. To determine the "Cap" Wage for your area, you can use the Wage Cap Calculator available on our website or manually calculate using the following formula:

#### JWR x Hours in the CBA x 52 weeks ÷ 12 months

NEBF Participation Agreement forms, Reporting Procedures, and standard contract language are available on the NEBF website. If you have any questions or if you need more information, please contact the NEBF Fund Office via email, by using the Contact Us form on our website, or by calling Employer Services at 301-556-4300.



## YOUR GUIDE TO PARTICIPATION AGREEMENTS

A NEAP Participation Agreement allows a contributing employer the ability to make NEAP contributions on behalf of its non-bargaining unit employees. A non-bargaining unit employee is not part of the bargaining unit or is not performing work that is covered by the CBA which contains the NEAP Standard Contract Language.

There are two types of Participation Agreements:

An "All" Agreement covers each and every employee not covered by the collective bargaining agreement — this includes all full-time and part-time employees.

All

An "Alumni" Agreement covers each and every employee who meets the following condition: during the current plan year or a prior plan year, at least one-half (1/2) of the employee's total hours of service for that year with any and all Covered Employers were performed in a Brotherhood bargaining unit or a Local Union bargaining unit ("alumni coverage").

Alumni

To start contributing to the NEAP on behalf of non-bargaining unit employees, an employer should download a Participation Agreement and Reporting Procedures from the NEAP website or call Employer Services at 301-556-4300. The NEAP will require that the employer sign two copies of the agreement and provide a list of the employees who will be covered under the agreement. Once received, NEAP will sign one of the copies and return it to the employer for their records.

### **REPORTING ON EMPLOYEES**

Classification Codes - To ensure that the employees are being reported on correctly, the following classification codes

are required to be used:

Code	Classification
26	All Non-Bargaining Unit Employees
27	Alumni Employees

Contributions - Contributions payable by the Covered Employer on behalf of its non-bargaining unit employees shall be as follows:

- The same as a contribution amount the Covered Employer is required to contribute pursuant to the collective bargaining agreement, but in no event shall be less than twenty-five cents (\$.25) per hour of Covered Employment.
- The same amount per hour of Covered Employment or the same percentage of compensation for each non-bargaining unit employee.

NOTE: When signing a Participation Agreement, the Covered Employer must insert in the applicable section on the Participation Agreement, the rate per hour or percentage of compensation, and the collective bargaining agreement in which this contribution rate or percentage may be found.

Calculating Contributions - Contributions under this Participation Agreement shall be calculated in the same manner as contributions made under the collective bargaining agreement.

NEAP Participation Agreement forms, Reporting Procedures, and standard contract language are available on the NEAP website. If you have any questions or if you need more information, please contact the NEAP Fund Office via email, by using the Contact Us form on our website, or by calling Employer Services at 301-556-4300.

## **CONTACT US**

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