FOX VALLEY & VICINITY LABORERS

HEALTH AND WELFARE AND PENSION FUNDS

EMPLOYER HANDBOOK

(Approved for distribution to all active employers July 30, 2004)
(revised June 2018)

FOX VALLEY LABORERS HEALTH AND WELFARE FUND

FOX VALLEY AND VICINITY LABORERS PENSION FUND

The Funds are managed by:

FOX VALLEY LABORERS FUND OFFICE

2371 Bowes Road, Suite 500
Elgin, Illinois 60123-5523

(847) 742-0900

(866) 828-0900 Toll free

(847) 742-3440 Fax

www.fvlab.com

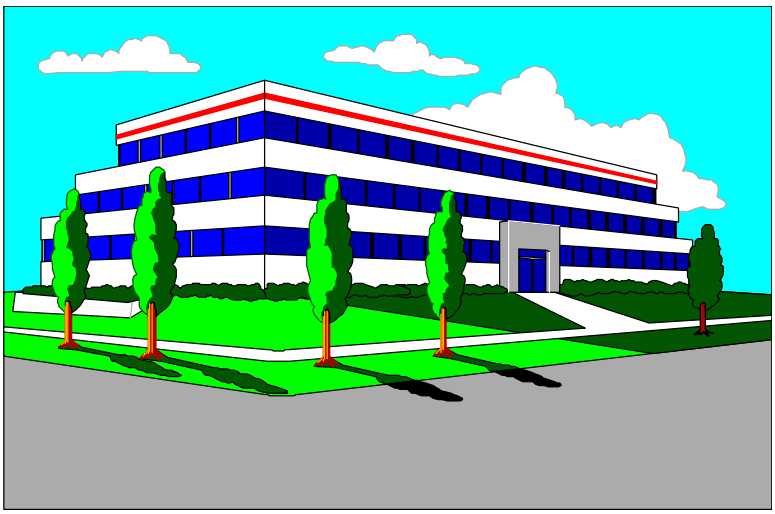


TABLE OF CONTENTS

Subject	Page
Introduction	1
Will The Funds Accept Your Contributions?	1
How Do You Contribute To The Funds?	1
For Which Employees Must Contributions Be Made?	1
When Are Contributions Due?	2
On-Line Remittance	
What Happens When Payments Are Late?	3
Surety Bond Information REVISIONS COMING?	3
LECET Reimbursement	4
Why Do The Funds Require Audits of Payroll Records?	4
What Happens With The Audit Results?	6
How Can I Avoid Certain Costly Mistakes?	6
Documents Available for Review (Summary Plan Descriptions)	6
Local Union Addresses	Appendix A
Current Labor Bulletins	Appendix B
Monthly Report of Payments Form	Appendix C
Participation Agreement (sample)	Appendix D
Bond Forms (samples)	Appendix E
Audit Checklist	Appendix F
On-line Remittance Processing	Appendix G

DISCLAIMER

This book is not a contract. It is not intended to give legal advice regarding your obligations under the Trust Agreements, other Plan Documents, Collective Bargaining Agreements or regarding any other matters. You should consult with your attorney if you wish to receive legal advice concerning these matters.

INTRODUCTION

The Boards of Trustees of the Fox Valley Laborers Fringe Benefit Funds are pleased to provide you with this Employer Handbook. This handbook is intended to provide a summary of some of the rules and regulations of the Funds. Every effort has been made to ensure the accuracy of the information contained herein. However, if statements in this book differ from the language in the applicable Fund documents, the terms and conditions of the Fund documents will prevail.

WILL THE FUND ACCEPT YOUR CONTRIBUTIONS?

In compliance with federal law, the Funds monitor the incoming contributions to make sure that every contributing employer has a written agreement detailing the basis on which contributions are to be made. Contributions received without a Collective Bargaining agreement will be held on account and no hours will be credited to your employees until you provide the Fund Office with a copy of the executed agreement.

HOW DO YOU MAKE THE REQUIRED CONTRIBUTIONS TO THE FUNDS?

Included at the back of this booklet are current Labor Bulletins (Appendix B) and a blank Monthly Report of Payments Form (Appendix C). If you need assistance in completing the Report of Payments Form, you may contact either the Fund Office or your Local Union. As part of this booklet the address and telephone number for each Local Union (Appendix A) has been provided along with a map of the respective counties and jurisdictions.

Employers are required to file the Report Form on a monthly basis. If you did not employ covered employees during any given month, it is still necessary that you submit a Report Form indicating "no work."

If you fail to file a Report Form each month or fail to pay contributions which are due, you will be designated as "delinquent" and included on the list of delinquent employers. This list is prepared on a monthly basis and provided to the Boards of Trustees and active employers.

Contributions are due the fifteenth (15th) day of each month following the month in which the work was performed. The original Report Form along with payment should be mailed to Fox Valley Laborers Fringe Benefit Funds, 75 Remittance Drive, #1504, Chicago, Illinois, 60675-1504.

FOR WHICH EMPLOYEES MUST CONTRIBUTIONS BE PAID?

Contributions must be paid on behalf of each employee performing covered work as defined in the applicable Collective Bargaining Agreement regardless of union affiliation. There is no probationary period.

Contributions must be remitted based on the number of hours worked. The current contribution rates are set forth in the applicable Collective Bargaining Agreement; and, are also reflected on the report form you receive each month. Contribution rates are subject to change on June 1st of each year.

It is the responsibility of each employer to maintain accurate payroll records on behalf of all employees performing covered work. This responsibility is mandated by Federal Law.

40 Hour Per Week Rule: The Trustees have established specific requirements for contributions to be remitted at the rate of 40 hours per week for the following employees who are participating in the Funds:

- Employees for whom there are no time sheets to support the hours worked; and
- Salaried employees; and,

- Corporate Officers/Shareholders; and,
- Spouses of owners, corporate officers, shareholders; and,
- Employees who have company ownership.

Corporate Officers/Shareholders: The Trustees have also established a Participation Agreement for Corporate Officers and/or Shareholders who perform bargaining unit work to some extent and choose to participate in the Health, Welfare and Pension Funds. This Agreement permits these individuals to participate in the Fox Valley Laborers Health and Welfare Fund and the Fox Valley and Vicinity Laborers Pension Fund. If you are a Corporate Officer and/or Shareholder participating in the Funds and have not completed a Participation Agreement, (Appendix D) you must do so immediately and return it to the Fund Office.

The Trustees have established specific requirements for Corporate Officers, their spouses and any other immediate family members who are employed by the employer and participate in the Health and Welfare and Pension Funds.

- Fringe Benefit contributions on behalf of Corporate Officers/Shareholders are required to be remitted at the rate of 40 hours per week.
- Fringe Benefit contributions on behalf of spouses are required to be remitted at the rate of 40 hours per week.
- Fringe Benefit contributions on behalf of any other immediate family members who are paid hourly are required to be remitted on the basis of hours worked; and, the employer must maintain time sheets to support the hours remitted.
- Fringe Benefit contributions on behalf of any other immediate family members who are paid a salary are required at the rate of 40 hours per week.
- Fringe Benefit contributions on behalf of any other immediate family members who have an ownership interest in the company are required at the rate of 40 hours per week.

Sole Proprietors: According to the Trust Agreements of the Funds, contributions cannot be accepted on behalf of sole-proprietors and partnerships. If you are a sole proprietor or partner and currently participating in the Funds, please immediately contact the Fund Office to discuss rectifying these matters.

- Fringe Benefit contributions on behalf of owners/sole proprietors cannot be accepted.
- Fringe Benefit contributions on behalf of spouses of owners/sole proprietors cannot be accepted.
- Fringe Benefit contributions on behalf of any other immediate family members who are paid hourly are required to be remitted on the basis of hours worked; and, the employer must maintain time sheets to support the hours remitted.
- Fringe Benefit contributions on behalf of any other immediate family members who are paid a salary are required at the rate of 40 hours per week.
- Fringe Benefit contributions on behalf of any other immediate family members who have an ownership interest in the company are required at the rate of 40 hours per week.

WHEN ARE CONTRIBUTIONS DUE?

Contributions are due no later than the fifteenth (15th) day of the month following the month in which the work was performed. If contributions are not received by the depository bank timely, you will be subject to a late payment assessment (liquidated damages) and interest as

described below. Late payments may also adversely affect your employees' eligibility for health care benefits.

ON-LINE REMITTANCE PROCESSING

An employer may remit contributions reports on-line through the use of the ISSI i-Remit program. ISSI i-Remit accurately captures, manages and transfers remittance data electronically, allowing Employers to submit reports and make payments on-line to the Fund Office. This secure, easy-to-use module eliminates duplicate entry of remittance data and saves time and money for both the Fund Office and the Employers.

WHAT HAPPENS WHEN PAYMENTS ARE LATE?

If your contributions are not received by the designated due date, liquidated damages will be charged. The schedule of assessments is determined by the Boards of Trustees. Effective January 1, 2005 liquidated damages are assessed at the rate of 10% on late contributions plus interest of 2% compounded monthly on the unpaid balance. Effective immediately liquidated damages of 20% will be assessed on all cases where litigation becomes necessary.

Liquidated damages and interest are billed monthly on a separate invoice to the employer. You have the right to appeal any liquidated damages assessed against you by writing to the Boards of Trustees, Fox Valley Laborers Fringe Benefit Funds, explaining the exceptional circumstances which you feel would justify a waiver of the liquidated damages.

SURETY BOND INFORMATION

Pursuant to the Collective Bargaining Agreement, each employer is also required to provide the Funds' Trustees with an **original surety bond, reflecting the company name exactly as it appears on the Collective Bargaining Agreement,** to guarantee the payment of wages and fringe benefit contributions. **The Fund Office will not accept a copy of the bond.**

We are, therefore, requesting that you ensure immediate compliance with this required condition under the bonding article of the Collective Bargaining Agreement, which states in part:

> Paragraph 1. All Employers shall procure, carry and maintain a surety bond in form and amount satisfactory to the Union, but not less than in the principal sum of $5,000.00, to guarantee payment of wages, Pension and Welfare Trust contributions, during the term of this Agreement. The bond shall be placed in the custody of the Pension and Welfare Funds.
>
> Paragraph 2. If the Employer employs between seven (7) and ten (10) Laborers, the surety bond shall be increased to $15,000.00. If the Employer employs between eleven (11) and twenty (20) Laborers, the surety bond shall be increased to $25,000.00. If the Employer employs twenty-one (21) to (40) Laborers, the surety bond shall be increased to $35,000.00. If the Employer employs forty-one (41) or more Laborers, the surety bond shall be increased to $45,000.00.

The Trustees in their sole discretion may require an Employer to provide a bond of up to three times the monthly contribution of the average of the three highest months' contribution during the prior 12 month period for any Employer who is chronically delinquent. A chronically delinquent Employer is any Employer who has remitted any two work reports and/or payments more than 45 days from the date it was due or who has been more than 15 days delinquent in remitting reports and/or payments for any three or more work months during any prior 12 month period.

The Fund Office will send a demand letter to any Employer who fails to provide an original surety bond in the amount and form required from an acceptable surety and will instruct the Employer to provide the bond within 30 days of the date of the letter.

If the Employer fails to comply with the original bond requirement within 30 days of notice from the Fund Office, the matter may be referred to collection counsel, who shall pursue the bond as required by the Collective Bargaining Agreement and this policy. If the Employer fails to provide the required original bond, Collection Counsel is authorized to pursue the bond through a lawsuit against the Employer.

Any Employer who fails to provide the required original bond and whose account is referred to Collection Counsel shall be required to pay the Funds' attorneys' fees and costs associated with pursuit of the Bond.

The Trustees in their sole discretion, may accept a cash bond and written cash bond agreement in lieu of a bond issued by a surety company, and the Administrator is authorized to accept the cash bond if there is written agreement and to put such sums in an account created for such cash bonds.

New employers must provide an original Surety Bond upon signing a Collective Bargaining Agreement.

The Collection Attorney will include the bond as part of all settlements.

For chronic delinquent employers the Administrative Manager has authorization, with additional approval by the Secretary and Chairman, to request a higher bond for settlement amount purposes.

LECET REIMBURSEMENT

In order to assist newly organized contractors in their efforts to comply with the terms and conditions of the Laborers' Area-Wide Collective Bargaining Agreement, the LECET Board of Trustees has adopted a Bond Reimbursement Program.

LECET is authorized to reimburse a newly organized contractor for the cost of obtaining the contractually required bond for wages and fringe benefits. LECET is offering to reimburse the bond premium for the first year of coverage paid by your company up to $1,000 based on rates of $20.00 for every $1,000 of bonding coverage, not to exceed a total bond capacity of $50,000 (or $1,000 in premium).

In order to obtain the reimbursement, please provide LECET with a copy of the required wage and fringe benefit bond as well as a copy of the canceled check.

For more information on the LECET Master Bond Program, please contact LECET at 630-655-8935.

WHY DO THE FUNDS REQUIRE AUDITS OF PAYROLL RECORDS?

The Boards of Trustees of the Fox Valley Laborers Welfare and Pension Funds have established a payroll compliance audit program to monitor and enforce that all contributions are being remitted correctly.

This program is designed to:

- Establish a systematic method to collect contributions
- Put the employers on notice that the Funds are monitoring contributions
- Credit employees with all benefits earned

When your company is selected for an audit, you will receive written notification from the Fund Office. Subsequently, you will be contacted by the auditing firm to schedule a time to conduct the audit.

In order to properly conduct the audit, the following documents will need to be provided to the auditors for review:

1. Quarterly and annual payroll tax return, including but not limited to, federal quarterly forms 941, federal annual forms W-2, W-3, 940, 1099 and state quarterly unemployment returns (UC-3).
2. Payroll journals and/or registers which include or identify employees' social security numbers, hourly rates of pay, hours worked and the time period in which the work was performed.
3. Individual earnings records for all employees of the employer not shown on payroll journals or registers, including social security number and work classification (or code or clock or ID number), hourly rates of pay, hours worked and the time period in which the work was performed.
4. Cash disbursement journals and general ledgers.
5. Copies of all contributing reports and proof of payment (canceled checks or records of canceled checks) of all contributions to the Laborers' Funds and to all other trade union fringe benefit funds to which the employer contributed.
6. Copies of all dues records and proof of payment (canceled checks or records of canceled checks) of all union dues submitted to the Laborers' District Council.
7. Records showing all amounts paid to all persons or entities that performed work for the employer as independent contractors or subcontractors, including copies of any federal form 1099's issued by the employer.
8. Daily time records filed by employees or supervisors.
9. Source documents and lists of job codes and equipment codes.
10. Certified payrolls for public sector jobs.
11. Employee personnel files including, but not limited to, last known address and telephone numbers, any documents which demonstrate employees' job classifications and/or status as an apprentice, journeyman, foreman, superintendent, or supervisor. (Confidential medical records or other private records not relevant to the establishment of an employee's job classification shall not be disclosed.)
12. Bank account statements and canceled checks from any and all accounts used in conjunction with the employer's business.
13. If records of all hours worked, rates of pay and classifications are not provided in the records listed in items 1 through 10, the employer shall maintain monthly lists of all employees not shown on payroll records, showing Social Security number and work classification (or code or clock or ID number), rates of pay and hours worked.
14. Collective Bargaining Agreement.
15. Surety Bonds.
16. Workers Compensation Insurance policy.
17. Employer Federal Tax Return.

Your company granted the Trustees the right to perform these audits through referencing of the Trust Agreement for each Fund and by your Collective Bargaining Agreement.

WHAT HAPPENS WITH THE AUDIT RESULTS?

(1) If delinquencies between the amount due and owing and the amount reported and paid to the Funds are disclosed during the course of the audit, you may be subject to liquidated damages and interest. The amounts due for the liquidated damages are 10% of the delinquent contributions due plus interest of 2% compounded monthly.

(2) Federal law provides that an employer may be assessed the cost of the payroll compliance audit plus all attorney fees and costs incurred by the Funds in the collection of delinquent contributions.

HOW CAN I AVOID CERTAIN COSTLY MISTAKES?

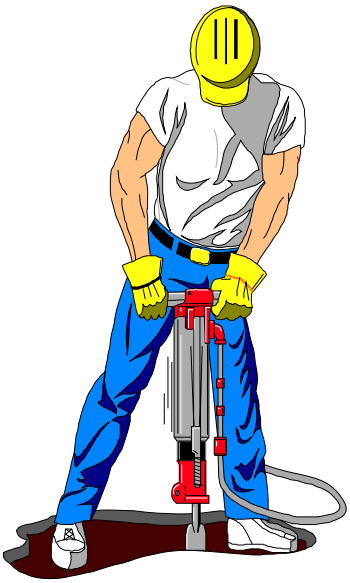
- Don't put "fringe benefit contributions" in the employees' paychecks. You remain obligated to contribute to the Funds and you will end up paying twice.
- Make sure that you remit contributions precisely as required by the Collective Bargaining Agreement in effect in the geographic location in which your employees perform work. If you fail to remit contributions to the appropriate fund, you run the risk that you will be required to pay twice.
- Be aware that calling an employee a subcontractor does not relieve you of your obligation to remit fringe benefit contributions to the Funds on his/her behalf.
- Don't provide alternative benefits for employees covered by the Collective Bargaining Agreement. That will not relieve you of the obligation to contribute to the Funds and you will end up paying more than you need to.
- Contact the Fund Office for assistance with any questions.

DOCUMENTS AVAILABLE FOR REVIEW:

Fox Valley Laborers Health and Welfare Fund Summary Plan Description

Fox Valley & Vicinity Laborers Pension Fund Summary Plan Description

A summary plan description is a description of a plan's benefits in terms understandable to the average person. ERISA requires most plans to prepare and distribute a summary plan description booklet.



LOCAL UNION ADDRESSES

Laborers Local 582

2400 Big Timber Road, Suite 112A
Elgin, IL 60123
Phone: (847) 741-7430
Fax (847) 741-1622

Laborers Local 1035

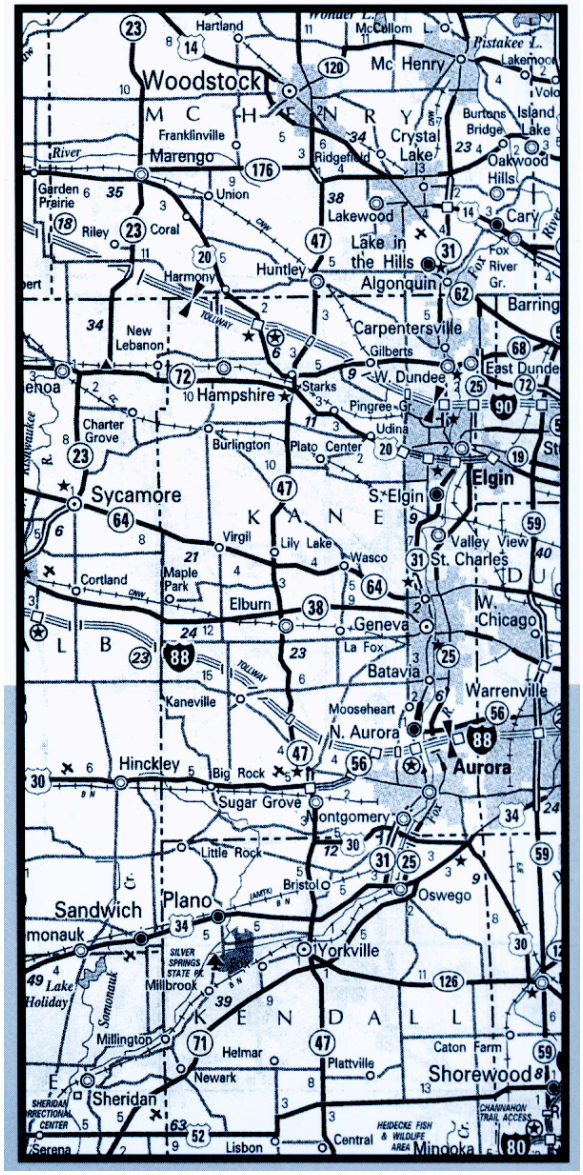
3819 N. Route 23, Suite A
Marengo, IL 60152
Phone: (815) 568-6190
Fax (815) 568-0942

BOONE

KANE

KENDALL

McHENRY



FOX VALLEY LABORERS
LOCALS 582 & 1035

TERRITORIAL JURISDICTION: BOONE, McHENRY, KANE, KENDALL COUNTIES OF ILLINOIS

LABOR BULLETIN

IMPORTANT NOTICE

LABORERS INTERNATIONAL UNION OF NORTH AMERICA - LOCALS 582 & 1035
HEAVY AND HIGHWAY AGREEMENT

CONTRACT EFFECTIVE: JUNE 1, 2017 CONTRACT EXPIRATION: MAY 31, 2021

The 4-year agreement negotiated between the Chicago Area Independent Construction Association, the Independent Construction Industry, their Collective Bargaining Representatives and the Laborers' International Union of North America, Locals 582 and 1035, provides for an increase of $2.24 effective June 1, 2018 to be allocated in the following manner:

	PENSION	HEALTH & WELFARE
6/1/2018 INCREASE	$0.50	$0.00

FOREMAN: $0.75 per hour over scale

TOTAL ECONOMIC INCREASE:
Effective June 1, 2017 - $2.17 per hour
Effective June 1, 2018 - $2.24 per hour
Effective June 1, 2019 - $2.31 per hour
Effective June 1, 2020 - $2.39 per hour

6/1/2018 - 5/31/2019	Base Wage	Deduct Dues Checkoff	Welfare	Pension	Training	LMDC
Common Laborer	$42.72	3.75%	$13.77	$13.70	$0.72	$0.17

IAF	Safety	LECET	CISCO	TOTAL
$0.06	$0.01	$0.07	$0.01	**$71.23**

*Deduct Dues Checkoff - plus an additional $.04 per hour for work in Boone County.

CLASSIFICATIONS

	WAGE		TOTAL
Asphalt Lab. Helper	$42.72		$71.23
Asphalt Plant Lab.	$42.72		$71.23
Stripping Laborer	$42.72		$71.23
Concrete Saws	$42.72		$71.23
Chain Saw Man	$42.97		$71.48
Air Tampers & Vibrators	$42.77		$71.28
Mortar & Concrete Mixer	$42.77		$71.28
Stringline & Form Setters	$42.87		$71.38
Labor Foreman	$43.47		$71.98
Torch Man (on demo)	$42.87		$71.38
Sheet & Cribbing Men	$42.87		$71.38

Classifications continued on next page

FOX VALLEY LABORERS
LOCALS 582 & 1035

TERRITORIAL JURISDICTION: BOONE, McHENRY, KANE, KENDALL COUNTIES OF ILLINOIS

LABOR BULLETIN (cont'd)
HEAVY AND HIGHWAY AGREEMENT

CLASSIFICATIONS			
	WAGE		**TOTAL**
Blacktop Rakers, Luteman	$42.87		$71.38
Machine Screwman	$42.87		$71.38
Jackhammer Men	$42.97		$71.48
Drillmen, Conc Breakers & Air Spade	$42.97		$71.48
Tunnel Laborers, Tile Layers, Bottom Men	$43.07		$71.58
Caisson Diggers	$43.22		$71.73
Dynamiters	$43.22		$71.73
Dynamite Handlers (Helpers)	$42.97		$71.48
Flagman	$41.92		$70.43
Day & Night Watchman	$42.42		$70.93
Laser Beam	$42.72		$71.23
Bobcat	$42.72		$71.23
Forklift	$42.72		$71.23
Asbestos Laborers	$43.72		$72.23
Toxic & Haz Lab.	$43.72		$72.23
Dosimeter	$43.72		$72.23
Material Testers 1	$32.72		$45.12
Material Testers 2	$37.72		$50.12
Maintenance Men Work between Nov 15 & Apr 1 (work done in shop or yard. NOT including work performed in construction area).	$41.62		$70.13

FOX VALLEY LABORERS LOCALS 582 & 1035

TERRITORIAL JURISDICTION: BOONE, McHENRY, KANE, KENDALL COUNTIES OF ILLINOIS

LABOR BULLETIN

IMPORTANT NOTICE

LABORERS INTERNATIONAL UNION OF NORTH AMERICA - LOCALS 582 & 1035
BUILDING AGREEMENT

CONTRACT EFFECTIVE: JUNE 1, 2017 CONTRACT EXPIRATION: MAY 31, 2021

The 4-year agreement negotiated between the Chicago Area Independent Construction Association, the Independent Construction Industry, their Collective Bargaining Representatives and the Laborers' International Union of North America, Locals 582 and 1035, provides for an increase of $2.24 effective June 1, 2018 to be allocated in the following manner:

	PENSION	HEALTH & WELFARE
6/1/2018 INCREASE	$0.50	$0.00

FOREMAN: $0.75 per hour over scale

TOTAL ECONOMIC INCREASE:	Effective June 1, 2017 - $2.17 per hour
	Effective June 1, 2018 - $2.24 per hour
	Effective June 1, 2019 - $2.31 per hour
	Effective June 1, 2020 - $2.39 per hour

6/1/2018 - 5/31/2019	Base Wage	Deduct Dues Checkoff	Welfare	Pension	Training	LMDC
Common Laborer	$42.72	3.75%	$13.77	$13.70	$0.72	$0.17

IAF	Safety	LECET	CISCO	**TOTAL**
$0.08	$0.01	$0.07	$0.01	**$71.25**

*Deduct Dues Checkoff - plus an additional $.04 per hour for work in Boone County.

CLASSIFICATIONS			
	WAGE		**TOTAL**
Jackhammer & Air.	$42.97		$71.50
Torchmen (demo only)	$42.87		$71.40
Chainsaw Men	$42.97		$71.50
Power Vibrator	$42.82		$71.35
Swing, Stage & Boatswain	$42.97		$71.50
Cement Gun Nozzle Men	$42.97		$71.50
Tile Layer & Bottom Men	$43.07		$71.60
Hod Carrier & Plasterer Tender	$43.07		$71.60
Mortar Men	$42.87		$71.40
Tunnel Men	$42.97		$71.50
Caisson Laborers	$43.22		$71.75
Dynamiters	$43.22		$71.75
Tree Surgeon-Toppers	$42.97		$71.50
Night Watchmen	$43.32		$71.85
Dosimeter Use	$43.72		$72.25
Asbestos Laborer	$43.72		$72.25
Toxic & HazMat Removal	$43.72		$72.25
Bobcat	$42.72		$71.25
Forklift	$42.72		$71.25

Appendix B

FUND OFFICE COPY

MONTHLY REPORT OF PAYMENTS TO

FOX VALLEY LABORERS FRINGE BENEFIT FUNDS
75 REMITTANCE DRIVE
SUITE #1504
CHICAGO, IL 60675-1504

(847) 742-0900

ACCOUNT NO.
ACCT#
FOR OFFICIAL USE ONLY

YOUR_COMPANY_NAME
YOUR_ADDRESS
YOUR_CITY, ST ZIP

The undersigned employer, if not already a signator, hereby becomes a signatory party to the currently applicable collective bargaining agreement with the District Council or Local of the Union covering the type and area of work of the listed employees and also to each agreement and Declaration of Trust, and amendments, establishing the funds for which payment is made herewith.

Please check here

- ☐ No work this month
- ☐ FINAL report
- ☐ Send more forms
- ☐ Change of address
- ☐ Change in name

PLEASE USE SEPARATE FORM FOR DIFFERENT RATES JOB LOCATION	CODE TYPE OF FUND/INDUSTRY	REPORT MONTH MONTH/YYYY

SOCIAL SECURITY NUMBER	EMPLOYEE NAME	LOCAL NO.			
		TOTALS			

PLEASE SUPPLY BUSINESS PHONE NO.: (______) ______ ______

Rate

WELF & PEN RATE X _____ (Tot Hrs Wrkd) = $ _____
APPR (AA) RATE X _____ (Tot Hrs Wrkd) = $ _____

NOTE: THE NAMES ON THIS REPORT WERE LISTED BY THE FUND OFFICE AS THEY APPEARED ON YOUR PREVIOUS MONTHLY REPORT. PLEASE INDICATE ANY CORRECTIONS.

BE SURE TO ADD THE NAME AND CORRECT SOCIAL SECURITY NUMBER OF ALL EMPLOYEES WHO WERE HIRED DURING THIS PERIOD.

REPORTS ARE DUE BY THE 15th OF EACH MONTH.
LATE REPORTS ARE SUBJECT TO LIQUIDATED DAMAGES.

SIGNED ______________________

MAKE ONE CHECK PAYABLE TO:
FOX VALLEY LABORERS FRINGE BENEFIT FUNDS

TOTAL AMOUNT DUE $

PARTICIPATION AGREEMENT

SHAREHOLDER and/or CORPORATE OFFICER

FOX VALLEY LABORERS HEALTH AND WELFARE FUND
FOX VALLEY & VICINITY LABORERS PENSION FUND

1. This Agreement is entered for the purpose of permitting shareholders and/or corporate officers in incorporated employers which have a contractual obligation to contribute to the Fox Valley Laborers Health and Welfare Fund and the Fox Valley & Vicinity Laborers Pension Fund to participate in those Funds as employees of the corporation. Nothing in this Agreement exempts such shareholders and/or corporate officers from any of the provisions of the collective bargaining agreements, nor does it alter any of the provisions of that agreement. This Agreement is intended only to clarify the basis upon which contributions may be paid to the Funds on such persons.

2. Provided that a person who is a shareholder and/or corporate officer in the corporation works at the laborers' trade at any time during a calendar year, he may continue to be a participant notwithstanding the fact that he is a shareholder and/or corporate officer and an employer.

3. The employer must be and remain at all time a corporation. In the event that the corporation is dissolved, either voluntarily or involuntarily, this Agreement will be null and void, and any benefits paid to or on behalf of a shareholder and/or corporate officer in the dissolved corporation are to be repaid to the Funds, if based upon hours reported to the Funds after the dissolution of the corporation. The employer will, upon request, provide evidence of its continuing good standing as a corporation to the Funds.

4. Shareholders and/or corporate officers reportable under this Agreement are to be reported to the Funds and contributions are to be paid to the Funds on the basis of 40 hours per week regardless of the number of hours worked at the trade during that week. Contributions are to be paid at the contribution rates in the Master Agreement with the Fox Valley and Vicinity Locals.

5. The employer is subject to all of the rules and requirements of the Funds, and the Trust Agreements with respect to when contributions are payable, liability for liquidated damages on late payment, and the right of audit.

6. Either party may terminate this agreement upon 60 days written notice. In the event the employer is delinquent in its obligation to report and pay contributions under this Agreement or pursuant to its Collective Bargaining Agreement, then this Agreement may be terminated immediately at the Funds' sole discretion. Upon termination, the eligibility of shareholder and/or corporate officer employees to participate in the Funds will end immediately and no extended eligibility for benefits will be provided.

Dated	**Fox Valley Laborers Health and Welfare Fund**
	and
Name of Corporation	**Fox Valley & Vicinity Laborers Pension Fund**
Date and State of Incorporation	**Union Representative**
Shareholder and/or Corporate Officer	
Office or Title	

S:\Collections\Employer Handbook\Employer Handbook rev 2015 06 (upd Trustees & Rates).doc
Version 7-11-2008
Revised 12-9-2011
Revised 4-25-2012

FOX VALLEY & VICINITY LABORERS

HEALTH AND WELFARE AND PENSION FUNDS

BOARD OF TRUSTEES
WELFARE FUND
Management:
Michael Shales, Chairman
John P. Bryan
Al Orosz
Union:
Martin D. Dwyer, Secretary
Vernon A. Bauman
David B. Sheahan
PENSION FUND
Management:
Michael Shales, Chairman
John P. Bryan
Al Orosz
Union:
Vernon A. Bauman, Secretary
Mark A. Castelvecchi
Martin D. Dwyer

DATE

COMPANY CONTACT
COMPANY NAME
COMPANY ADDRESS
COMPANY CITY, STATE, ZIP

Subject: Fox Valley Laborers Health & Welfare Fund
Fox Valley & Vicinity Laborers Pension Fund
Surety Bond Request - Account No. 0000

Dear COMPANY CONTACT:

You are signatory to a Collective Bargaining Agreement (CBA), with the Laborers' District Council of Chicago and Vicinity that requires each employer to maintain a surety bond (or cash bond) to guarantee the payment of wages and fringe benefit contributions.

We request immediate compliance with this required condition under the Bonding Article of the CBA. The specific requirements and potential penalties for non-compliance are set forth below:

> "All employers shall procure, carry and maintain a surety bond [cash bond] in form and amount satisfactory to the Union, but not less than the principal sum of $5,000 up to $45,000 ($10,000 under the MWCC and $50,000 under the Asbestos Agreement) to guarantee payment of wages, pension and welfare trust contributions during the term of the Agreement."

> "If the Employer employs between seven (7) and ten (10) Laborers, the surety bond shall be increased to $15,000.00. If the Employer employs between eleven (11) and twenty (20) Laborers, the surety bond shall be increased to $25,000.00. If the Employer employs twenty-one (21) to (40) Laborers, the surety bond shall be increased to $35,000.00. If the Employer employs forty-one (41) or more Laborers, the surety bond shall be increased to $45,000.00."

> "Should the Employer fail to comply with the provisions of this Article, the Union may withdraw its employees or strike until such compliance occurs, and the Employer shall further be liable for all costs, including attorney's fees, incurred in enforcing these provisions."

> "If the Employees are withdrawn from any job in order to ensure compliance with the provisions of this Article, the Employees who are affected by such

2371 Bowes Road, Suite 500, Elgin, Illinois 60123-5523
(847) 742-0900 FAX (847) 742-3440 TOLL FREE (866) 828-0900
www.fvlab.com

GCC/IBT 1317-M

> stoppage of work shall be paid for lost time up to sixteen (16) hours, provided that two (2) days' written notice of intention to remove employees from the job is given to the Employer by the Union. These lost time amounts may be collected only from the contractor with whom the Union has a dispute and the Union shall not pursue collection efforts from any other entity. This lost time liability shall not apply if the Employer produces the required bond before expiration of the two-day notice period."

To assist you in complying with this bonding requirement, attached are the forms of Surety Bond and Contract for Cash Bond acceptable to the Union and Fringe Benefit Funds. If you have any questions, please contact the Fund Office directly.

Sincerely,

Patricia M. Shales
Administrative Manager

Enclosures

/svb

EMPLOYER'S BOND

KNOW ALL PEOPLE BY THESE PRESENTS, *that we* _____
(Name of employer)

_____, *a* _____, *of*
(Name of employer cont'd) *(Indicate corporation, partnership, or sole proprietor)*

_____, _____, *herein called the "Principal", and*
(City) *(State)*

_____ *herein called the "Surety",*
(Name of bonding company)

are hereby held and firmly bound unto the various fringe benefit and industry funds identified in the collective bargaining agreement between the Construction and General Laborers District Council of Chicago and Vicinity, affiliated with the Laborers' International Union of North America (the "Union") and the Principal and any successor collective bargaining agreements, all of which funds are collectively referred to as the "Funds"; unto the Union; and unto all individuals employed by the Principal and represented for collective bargaining purposes by the Union, referred to as the "Union Employees" (the Funds, the Union, and the Union Employees are collectively referred to as the "Obligees") in the penal sum of _____ *Dollars*
(Amount – written out)

*($*_____*), for the obligations and undertakings hereinafter set forth, the*
(Amount in $$)

payment of which, well and truly to be made, we hereby jointly and severally bind ourselves, our successors, assigns, heirs, executors, and administrators.

Signed and sealed and dated on this _____ ***day of*** _____, _____

Whereas*, the above named Principal is employing or proposes to employ employees in a bargaining unit represented by the Union for the purpose of performing certain work as defined in a collective bargaining agreement between the Principal and the Union;*

NOW, THEREFORE, the conditions of this bond are such that if the Principal shall well and faithfully pay the wages due the Union Employees with respect to the work performed by the Union Employees, the contributions due to the Funds, the dues due to the Union, any interest, liquidated damages, attorneys' fees

and/or costs that may become due, and such other amounts as the Principal may be required to pay to the Obligees, or to any of them, pursuant to the collective bargaining agreement between the Principal and the Union or pursuant to the rules and regulations of any or all Funds, then this obligation shall be void; otherwise it shall remain in full force and effect. This obligation of the Principal and Surety shall be joint and several.

If Surety is required to make payments to the Obligees pursuant to the bond, Surety shall have no claim or right of any sort against Obligees.

In the event that the aggregate amount due the Obligees shall exceed the amount of this bond, then the claims of the various Obligees shall be satisfied or a pro rata basis, proportionate to the amount of each Obligee's claim. Any disputes as to the proper distribution in such circumstances, and any disputes regarding the Principal's obligations to the Obligees, shall be resolved in accord with the dispute resolution mechanisms of the collective bargaining agreement between the Principal and the Union.

The Surety shall pay any claim made by the Obligees under this bond within 30 days from receipt of the claim. Should the Surety fail to issue payment within 30 days from receipt of a claim, the Surety shall be liable for the claimed amount and any reasonable attorneys' fees and costs incurred by Obligees in enforcing this bond.

This Bond may be canceled by the Surety 120 days after receipt by the Obligees of the Surety's written notice of cancellation by registered or certified mail.

PRINCIPAL	***SURETY***
By: _____ *Signature*	*By:* _____ *Signature*
By: _____ *Agent*	*By:* _____ *Attorney-In-Fact*
_____ *Date*	_____ *Date*

Power of Attorney and Notarial Acknowledgement must be submitted with this bond.

CONTRACT FOR CASH BOND

This agreement is entered into by the Laborers' Pension Fund, the Health and Welfare Department of the Construction and General Laborers' District Council of Chicago and Vicinity and The Fox Valley Laborers' Health and Welfare Fund and The Fox Valley and Vicinity Laborers' Pension Fund (the "Funds") and the following Contributing Employer to the Funds:

_____

Full Name

_____

Address

_____

City, State, Zip Code

WHEREAS Article VII, Section 2 and Article VI, Section 2 of the Agreements and Declarations of Trust establishing the aforementioned (the "Funds") to authorize the Funds to accept cash bonds as guarantees for the payment of monthly contributions to the Funds; and

WHEREAS contributing Employers under the terms of the applicable collective bargaining agreement are required to post surety bonds or cash bonds in a form acceptable to the Construction and General Laborers' District Council of Chicago and Vicinity (the "Union"); and

WHEREAS the Union has agreed to the establishment by the Funds of a bank account, money market account or other account for the holding of cash bonds pursuant to contract approved by the Boards of Trustees of the Funds; and

WHEREAS the Boards of Trustees of the Funds have approved the establishment by the Funds of a bank account, money market account or other account for the holding of cash bonds by contributing Employers.

Now, therefore, the parties hereby agree that:

A. Procedures for Filing a Cash Bond and Use of the Bond

The Employer named above shall pay the amount listed below to the Funds as a cash bond to guarantee payment of employee wages, pension and welfare contributions owed by the Employer to employees of the Employer and/or to the Funds for work performed by the employees under the terms of a collective bargaining agreement between the Employer and the Construction and General Laborers' District Council of Chicago and Vicinity; and

The cash bond shall be used to satisfy on a pro rata basis amounts due for unpaid wages and/or unpaid contributions to the Funds, including liquidated damages and interest owed to the Funds; and

The Administrator of the Funds is authorized to deposit the cash payment listed in an interest-bearing bank account, money market account or other account for deposit of such funds to be selected at the discretion of the Administrator, to retain the interest earned on a said cash deposit to defray the expenses of the funds for the administration of cash bonds and for the collection of delinquencies; and

To deduct from said account and pay to employees and/or to the Funds any amounts determined by the Administrator, based upon reasonably reliable information provided by representatives of the Union, the Field Representatives of the Funds or compliance auditors of the Funds or Union, the full amount of any unpaid wages or unpaid contributions, liquidated damages or interest.

The Administrator shall provide written notice at least ten (10) days in advance to the Employer of a determination by the Administrator to deduct sums from the cash bond to satisfy the claims for wages and/or unpaid contributions, liquidated damages or interest.

The Employer, within ten (10) days of the date of the notice sent by the Administrator, may make other arrangements to pay the wages and/or contributions determined to be owed by the Administrator and shall provide written evidence to the Administrator of such arrangements.

An objection by the Employer that the claimed wages and/or contributions are not due and owing shall not prevent the Administrator from directing the payment of claimed wages and/or contributions. If a determination is made at a later date that the wages paid to employees or the contributions, liquidated damages or interest paid the Funds was not due and owing, the sole liability of the Funds shall be to restore the cash bond of any Employer to the extent of the contributions, liquidated damages and interest paid as contributions on behalf of the Employer that should not have been paid. Any claim of the Employer for wages improperly paid to employees shall be made against the employees who received the payments and not against the Funds or Administrator as long as the Administrator based the payments on information received from a source that the Administrator considered to be reasonably reliable. An auditor's report or employee's affidavits shall be conclusive proof of such a reasonable reliable source.

A. Procedures for Requesting a Refund of a Cash Bond

The Employer may request and obtain a refund of any balance of the cash bond being held by the Funds if the Employer ceases to do business for which contributions would be owed to the Funds under the terms of a collective bargaining agreement with the Union or during any period in which the Employer would be required to maintain existing terms and conditions of employment while negotiating over the terms to be included in a new collective bargaining agreement. Any such refund of the balance of the cash bond shall be paid without interest.

An Employer may obtain a refund of the cash bond if the Employer provides a surety bond written by an insurance carrier with reserves in excess of $1,000,000 authorized, licensed or permitted to do business in the state of Illinois, provided that the amount of said surety bond is in compliance with the terms of the Employer's collective bargaining agreement with the Union or any amount previously prescribed by the Trustees for a delinquent employer equal to three times the monthly contributions of such Employer, as estimated by the Trustees, in accordance with the terms of the agreements and declarations of trust of the Funds.

No cash refund shall be paid to the Employer until the Employer has provided the necessary surety bond or evidence satisfactory to the Administrator that the employer has ceased doing business that would require contributions to the Funds. If the Employer fails to provide a refund request along with the necessary supporting information within three (3) years of the date on which the Employer last contributed to the Funds, the Employer shall forfeit its right to a refund and the Administrator shall transfer any balance credited to the Employer to the general accounts of the Funds to defray the costs of employer delinquencies.

B. Amount of Cash Bond

This Agreement for the payment and deposit of a cash bond in the amount of $_____is entered into this _____day of _____, _____ by the undersigned representatives of the Employer and Funds:

FOR THE EMPLOYER:

_____
Signature

_____
Print Name

_____
Title

_____
Date

FOR THE FUNDS:

_____
Administrator

_____
Date

AUDIT PREPARATION CHECKLIST

When your company has been scheduled for an audit, following is the checklist of information you should have available for the audit:

1. _____ Quarterly and annual payroll tax return, including but not limited to, federal quarterly forms 941, federal annual forms W-2, W-3, 940, 1099 and state quarterly unemployment returns (UC-3).
2. _____ Payroll journals and/or registers which include or identify employees' social security numbers, hourly rates of pay, hours worked and the time period in which the work was performed.
3. _____ Individual earnings records for all employees of the employer not shown on payroll journals or registers, including social security number and work classification (or code or clock or ID number), hourly rates of pay, hours worked and the time period in which the work was performed.
4. _____ Cash disbursement journals and general ledgers.
5. _____ Copies of all contributing reports and proof of payment (canceled checks or records of canceled checks) of all contributions to the Laborers' Funds and to all other trade union fringe benefit funds to which the employer contributed.
6. _____ Copies of all dues records and proof of payment (canceled checks or records of canceled checks) of all union dues submitted to the Laborers' District Council.
7. _____ Records showing all amounts paid to all persons or entities that performed work for the employer as independent contractors or subcontractors, including copies of any federal form 1099's issued by the employer.
8. _____ Daily time records filed by employees or supervisors.
9. _____ Source documents and lists of job codes and equipment codes.
10. _____ Certified payrolls for public sector jobs.
11. _____ Employee personnel files including, but not limited to, last known address and telephone numbers, any documents which demonstrate employees' job classifications and/or status as an apprentice, journeyman, foreman, superintendent, or supervisor. (Confidential medical records or other private records not relevant to the establishment of an employee's job classification shall not be disclosed.)
12. _____ Bank account statements and canceled checks from any and all accounts used in conjunction with the employer's business.
13. _____ If records of all hours worked, rates of pay and classifications are not provided in the records listed in items 1 through 10, the employer shall maintain monthly lists of all employees not shown on payroll records, showing Social Security number and work classification (or code or clock or ID number), rates of pay and hours worked.
14. _____ Collective Bargaining Agreement.
15. _____ Surety Bonds.
16. _____ Workers Compensation Insurance policy.
17. _____ Employer Federal Tax Return.