

**WESTERN STATES OFFICE AND PROFESSIONAL EMPLOYEES
PENSION FUND**

CBA COVERAGE POLICY

Effective: December 1, 2011

Policy Statement:

This CBA Coverage Policy (“Policy”) is adopted by the Board of Trustees of Trustees (“Board”) of the Western States Office and Professional Employees Pension Fund (“Plan”) in order to establish uniform rules for accepting collective bargaining agreements that provide for employer contributions to the Plan to fund participant benefits under the Plan.

However, the Board recognizes that the rules provided in this Policy may not have been uniformly applied in the past. Therefore, in order to facilitate Plan administration the Board agrees that this Policy shall be applied prospectively and that CBAs already accepted by the Plan are grandfathered.

A. CBA Coverage: General Rule. The general rule is that a CBA must provide that all covered employees participate in the Plan. This rule is commonly referred to as the “all or nothing rule.”

B. Specific Situations.

1. New Hires and/or Transfers.

Employer hires a new employee who previously worked for the district council and participated in another defined benefit plan and/or is entitled to district benefits (“me too” provision).

The new employee must participate in Plan.

Note: The Pension Protection Act prohibits the Plan Sponsor from accepting a CBA or participation agreement that provides for “a direct or indirect exclusion of younger or newly hired employees from plan participation.”

2. Loaned Employees.

#1: Local A participates in the Plan. Local A has financial difficulties so the district council pays the salary of Employee X and Employee Y. District council employees participate in the international’s pension through their Employer.

Coverage under the Plan depends upon who is the employer:

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- (A) **If** they are employed by Local A: Employees X and Y must be covered under the Plan.
- (B) **If** they are district employees: Employees X and Y do not have to be covered under the Plan – but can be if the CBA and/or Participation Agreement is modified to include them.

#2: Local A participates in the Plan. Local A has financial difficulties and cannot fund a position. The district council “lends” Local A a district council paid employee to fill the position. District council employees participate in the international’s pension through their Employer.

Coverage under the Plan depends upon who is the employer:

- (A) **If** the “loaned” employee is employed by Local A: the loaned employee must be covered under the Plan.
- (B) **If** the “loaned” employee is a district employee: the loaned employee does not have to be covered under the Plan – but can be if the CBA and/or Participation Agreement is modified to include the loaned employee.

3. Mergers and Consolidations.

Local A employees participate under the Plan.

Local B employees participate in the international’s pension through their Employer.

Locals A&B merge or consolidate.

Local A employees stay in the Plan and Local B employees stay in the international pension.

New hires are covered by the Plan.

If merged A&B do not want to be covered under the Plan they can bargain out of plan coverage and face possible withdrawal liability.

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4. Master Agreements.

The Master Agreement requires either the Plan or an employer sponsored plan.

Local A is brought under the Master Agreement and picks the employer plan.

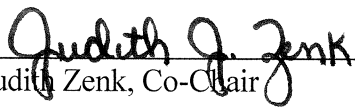
Local A hires a new employee that has a "me too", provision allowing the new employee to participate in the Plan.

The new hire continues to be covered under the Plan.

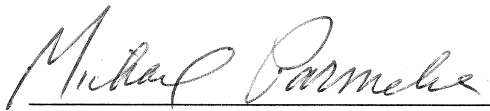
C. **Board Authorized to Recognize Exceptions.** The Board reserves the right to make exceptions to the Policy on a case by case basis.

D. **Authority to Modify Policy.** The Board may modify this Policy at any time. As used in the preceding sentence the term "modify" includes but is not limited to: interpretation, modification, extension, correction, amendment, suspension or termination.

Signed on behalf of the Board of Trustees:



Judith Zenk, Co-Chair
Date signed: 3-7-12



Michael Parmelee, Co-Chair
Date signed: 3-12-12

Notes:

1. This policy was originally adopted at the Board of Trustee meeting on December 1, 2011.