

Language for Inclusion in the Standard Form of Union Agreement

The Employer and the Union recognize that, during the term of this Agreement, the Sheet Metal Workers' National Pension Fund (NPF) will notify the parties of the Funds' status under the Pension Protection Act of 2006. It is anticipated that the Fund will be in critical status. Consequently, the Employer and the Union further recognize that a surcharge may be imposed upon contributions to the Fund, and that the Fund may adopt a rehabilitation plan, incorporating alternative schedules of benefits and contributions, during the term of this Agreement.

The parties agree that a schedule described above will be deemed to be adopted automatically if, in accordance with this agreement, the Union allocates or reallocates a portion of the wage and fringe-benefit package, or where the agreement provides for an automatic allocation or reallocation of the wage and fringe-benefit package, that is sufficient to cover fully any increases in contribution rates to the NPF under that schedule.

It is undesirable to pay a surcharge upon pension contributions, with no resulting improvement in pension benefits. Accordingly, in the absence of a reallocation as provided above, at such time as the Trustees of the Fund furnish the Employer and the Union with alternative schedules as provided above, either party may re-open this Agreement upon thirty days written notice to the other, for the purpose of reaching agreement upon the adoption of one of those schedules. During the negotiations, the parties shall give due recognition to the desirability of maintaining pension benefits in light of economic conditions in the local area.

The parties agree further that the schedule described above will become part of this agreement, and will be incorporated by reference herein, on the date the schedule is adopted or is deemed to have been adopted automatically in accordance with the terms above. The parties will not take any action or actions inconsistent with the NPF's Rehabilitation Plan or Funding Improvement Plan of which the schedule is a part, as modified or amended from time-to-time.