



Employer Handbook
for
Benefit Contributions

Revised February 2023

Pipe Trades Services MN

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Select the “Employers” tab for current benefit rate information

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Interpretation of the Plan:

The Board of Trustees of the Pipe Trades Services MN may only make determinations and decisions as official actions at meeting of the Board of Trustees. The Board of Trustees has the sole responsibility for interpreting, changing or waiving any part of the obligations or rights in this handbook. No individual Trustee(s), employer, employer association, union or union official has the authority to make any such interpretation, promise or commitment on behalf of PTSMN or to bind the Pipe Trades Services MN in any way, except when participating in an official action of the Board of Trustees.

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Introduction

The Trustees of Pipe Trades Services MN are pleased to provide you with this “Employer Handbook”. The purpose of this handbook is to provide a summary of regulations, policies and procedures related to the submission of benefit payments to the Pipe Trades Services MN Office.

This Employer Handbook is a summary only and does not describe all of the various Plan provisions for the Welfare and Pension plans. The Board of Trustees has attempted to make this booklet as complete as possible, but there may be provisions contained in the master plan documents that are not set out in the summary contained in this booklet.

This booklet describes the main provisions and procedures for fringe benefit payments. If there is any disagreement between the provisions of this summary of the Plans and the Plans themselves, the provisions of the Plans shall control.

If you have any questions about the Plan or need any additional information, please contact the Fund Office.

PARTICIPATING LOCAL UNIONS

The Pipe Trades Services MN provides for collection of benefit payments for the following local unions and their members:

Rochester Plumbers & Pipefitters Local #6
Duluth Local #11 Zone 1 (Pension Supplement only) D.L. Zone 2
Minneapolis and Saint Cloud Plumbers Local #15
Saint Paul and Mankato Plumbers Local #34
Metro Area Sprinklerfitters #417
Saint Paul and Mankato Pipefitters Local #455
Minneapolis and Saint Cloud Pipefitters #539

The contribution amounts are generally determined in accordance with the applicable collective bargaining agreements (CBA) or by the terms of a participation agreement.

HOW TO MAKE BENEFIT PAYMENTS

Enclosed with this handbook we have included a blank “Employer Fringe Benefit Report” and an instruction sheet. Follow the instructions for completing the report; if you have any questions please contact the Fund Office. After completing and submitting your first report you will receive a “pre-listed” report each subsequent month.

The Fringe Benefit Report is due at the PTSMN office by the 15th of the month, following the month in which the hours were worked. *(For example benefits for hours worked in the month of January are due at the PTSMN office by February 15th.)*

You are not required to split pay periods to pay an actual calendar month. A work month is generally defined as all work performed during any pay period that ends in a calendar month. *(For example if the first payroll period of the month for your company ends on Friday April 4th and the last payroll period is for Friday April 25th benefits are due for these four pay periods by May 15th.)*

When rates change during your pay period *(this will generally happen around May 1st which is the contract year)* hours should be split and submitted separately on two reports, with separate checks.

The Fringe Benefit Reports are now submitted by a Local’s specific CBA “Collectively Bargained Agreement” as each CBA covers different local unions with different fringe benefit rates.

The CBA’s are as follows:

CBA Designator

- | | |
|--|--------|
| • Rochester Plumbers and Pipefitters Local 6 | 06 |
| • Local 11 Detroit Lakes | 11DL |
| • Local 11 Duluth | 11DU |
| • Plumbers Local 15-Minneapolis | 15MP |
| • Plumbers Local 15-Saint Cloud Area | 15SC |
| • Plumbers Local 15-Gas Distribution | 15P |
| • Plumbers Local 34-Saint Paul | 34SP |
| • Plumbers Local 34-Mankator | 34MA |
| • Sprinklerfitters Local 417 | 417 |
| • Pipefitters Local 455-Saint Paul | 455SP |
| • Pipefitters Local 455-Mankato | 455MA |
| • Pipefitters Local 539-Minneapolis | 539MP |
| • Pipefitters Local 539-Saint Cloud | 539SC |
| • Pipefitters Local 539-Residential | 539RES |
| • Contractor Insurance | OFFC |

To facilitate better tracking of payments, overages, shortages, rate issues etc. it is most helpful for the employer to submit one check for each report.

Quite frequently there is an issue on each report. The accounting of an overage on one report and a shortage on another report gets complicated when trying to give an explanation. To facilitate the complexities, we issue a variance when there is either a debit or a credit.

You are required to file the Employer Fringe Benefit Report for each month while you are signatory to a collective bargaining agreement with any of the participating local unions. If for some reason you do not receive a report (*For example, if it is lost in the mail or you are delinquent in the prior month*) you are still responsible for obtaining and filing the report on time each month.

If you do not have any employees for a particular area for any month, please check the appropriate box on the Fringe Benefit Report so the Fund Office will be aware that your company is currently inactive for that area and so that you will not be listed as a delinquent employer.

BENEFIT AMOUNTS

The benefit amounts for employees are determined by the various (CBA) collective bargaining agreements. There are a number of benefit rates due to the different local unions, classifications of employees and CBA's. These rates are listed on the PTSMN Website (www.ptsmn.org) under the "Employers" tab. If you have questions about the classification of an employee or the benefit amounts due please contact the Fund Office or the local union.

TAXES:

The benefit amounts include a combination of both taxable and non-taxable benefits. They are listed as such on the benefit sheets posted to the website; please pay close attention to the taxable and non-taxable totals to ensure accuracy in the benefit payments.

WHEN ARE CONTRIBUTIONS DUE? WHAT HAPPENS IF PAYMENTS ARE LATE?

- The PTSMN office must receive fringe benefit contributions by the 15th of the month in which they are due.
- Payments that are not received by the 15th of the month are considered delinquent. An employer will be liable for a 3% liquidated damages assessment if the payment is not received by the 20th of the month, pursuant to the provisions of the Trust Agreements. If the required payment is not received within 10 days of

the 20th of the month, the liquidated damages assessment increases to 10% of the outstanding fringe benefit contributions due.

- Benefits checks received within 3 business days of the End-of-Month closing dates as on the PTSMN website (www.ptsmn.org) must be paid with a **cashier's check** in order to be processed within that month.
- An employer may be subject to other consequences that are set forth in the collective bargaining agreements or trust agreements and to legal action to compel payment of the required contributions. Federal law mandates that an employer must pay the funds' attorney fees, court costs, liquidated damages and interest if formal legal action is required.
- A cash bond equal to two months contributions will be required by PTSMN from each contractor that either misses a monthly payment or that incurs a liquidated damage assessment.
- An employer required to post a cash bond will also be required to sign a stipulation for the entry of judgment for an immediate injunction if either the employer does not fund the bond, or if the contractor fails to replenish the amount of the bond as required
- "Delinquent Letters" are sent to the employer and the affected employees when payments are not received on time.
- **Important Note:** In addition to the liquidated damages, payments not received in a timely manner also results in taxable credit union funds not being forwarded to the employees credit union account until the next month-end process.
- This is only a **SUMMMARY** of the Pipe Trades Services MN **POLICY FOR COLLECTIONS OF DELIQUENT EMPLOYER CONTRIBUTIONS** it is listed in its entirety on **PTSMN Website** (www.ptsmn.org)

All benefits for Plumbers and Pipefitters are paid on the overtime basis, which is hours paid not hours worked.

For Residential – Local #539 benefits are based on actual **hours worked**.

(Examples)	2 hours of time and a half	=2.00 hours of benefits
	2 hours of double time	=2.00 hours of benefits

For Plumbers and Pipefitters – Local #15, 34, 455 and 539 (Including St. Cloud & Mankato Areas) benefits are based on **hours paid**.

(Examples)	2 hours of time and a half	=3.00 hours of benefits
	2 hours of double time	=4.00 hours of benefits
	1 hour of 15% shift work	=1.15 hours of benefits

For Rochester Local 6, Sprinklerfitters Local 417 and Local 11 Zone 2 please use the spreadsheet on the PTSMN Website (www.ptsmn.org)

IMPORTANT NOTE:

A pre-listed report reflects only those employees reported the previous month. If the Pre-listed report does not accurately reflect the employees working for you during the month being reported, the following action should be taken:

- DELETE - The names of employees who have left your employment by lining out their name.
- ADD - New employees by entering the name, last four digits of the social security number, trade classification, rate, and total hours below the pre-listed names.

CHANGE- To any information on the report should be entered in ink beside the field to be changed (i.e., new trade codes)

With over 300 contributing employers, it is in the best interest of the plan participants, contributing contractors and the industry as a whole that these rules are enforced in a uniform manner, consistent with the legal obligations of the trustees and the language in the collective bargaining and trust agreements.

EMPLOYER OBLIGATION TO MAINTAIN RECORDS

Federal law requires that contributing employers maintain certain records that are sufficient to allow the Benefit Funds to verify the accuracy of all contributions. Employers are required to maintain time cards identifying work by individual and by job.

Authorized representatives of the Funds perform routine payroll audits. The purpose of payroll audits are to verify the accuracy of the reports and contributions submitted to the PTSMN and to determine whether contributions have been paid for all covered work. Payroll audits may be performed at any time.

RECIPROCITY

Employers are required to make contributions on all employees working in a geographic location covered by a particular local union. This includes employees that may be a member of a different local union working here on travel card. The Benefit Funds have reciprocity agreements with other benefit funds and contributions are directed to the “home” local union of the travel card employee in accordance with the reciprocity agreements.

Important Notes:

The following information will assist you in the payment of fringe benefits and help you to avoid potentially costly mistakes.

- Do not make any arrangements with employees that differ from the terms of the collective bargaining agreement or any other written agreement that requires payments of fringe benefit contributions. A union official, association official (even if a trustee) or fund office staff member cannot change or modify the terms of the collective bargaining agreements or trust agreements regarding benefit contribution payments.

- Do not pay any amount of benefits directly to employees. You remain obligated to make contributions to the benefit funds and will end up paying the same benefits twice.
- The Pipe Trade Services MN is not the “union” or the “contractor’s association”. It is a non-profit corporation that provides administrative services to the various benefit funds.
- A joint board of trustees administers the Pipe Trades Services MN as well as each of the benefit funds. There are an equal number of management and labor trustees. The management trustees are active mechanical contractors who are appointed by the signatory party to the Trust agreements. The labor trustees are current active business managers or business agents from each of the signatory local unions.
- Please contact the Fund Office for assistance with any questions regarding the submission of benefits.

Policy for the Participation of Non-Bargaining Unit Employees

Effective October 28, 2020, this Policy for the Participation of Non-Bargaining Unit Employees (“Policy”) has been adopted by the Boards of Trustees (“Trustees”) for the Pipe Trades Services MN Pension Supplement Fund, the Pipe Trades Services MN Pension Fund (the “Pension Fund”), the Pipe Trades Services MN Welfare Fund and the Pipe Trades Services MN Retiree Health Fund (collectively, the “PTSMN Benefit Funds”), for the participation of employees who are not in the bargaining unit of a collective bargaining agreement requiring contributions to the PTSMN Benefit Funds (“NBUEs”). The Trustees have delegated responsibility to administer this Policy to Pipe Trades Services of Minnesota, Inc. (the “Fund Office”).

Purpose

The PTSMN Benefit Funds are multiemployer plans and are required under federal law to be established and administered for the sole and exclusive benefit of employees. The rules and requirements described in this Policy apply to the participation of those employees who are NBUEs, including NBUEs who have an ownership interest in employers participating in the PTSMN Benefit Funds (“owner employees”). There are certain restrictions and limitations that apply to the participation of NBUEs and owner employees and as a result this Policy may be modified at the Trustees’ sole discretion from time to time.

Part I – Qualifications for Participation of All NBUEs

The following eligibility criteria apply to the participation of all NBUEs in the PTSMN Benefit Funds.

1. **Signatory to Collective Bargaining Agreement.** The employer of the NBUE(s) must be signatory to a collective bargaining agreement with a Local Union that requires contributions to the PTSMN Benefit Funds.
2. **Participation Agreements.** The employer of an NBUE(s) must apply for the NBUE(s) participation in the applicable PTSMN Benefit Fund(s) by executing a written participation agreement. All

applications for participation in the PTSMN Benefits Fund(s) as an NBUE are subject to the review and approval by the Trustees for each PTSMN Benefit Fund. The Trustees retain the right to allow initial participation or to terminate the participation of any NBUE, at any time in their sole and absolute discretion.

3. **Delinquent Contributions.** The delinquent remittance of the contributions required by a participation agreement is cause for the expulsion from the PTSMN Benefit Funds of the participating NBUE(s) and the immediate termination of the employer's participation agreement with the PTSMN Benefit Fund(s).

Part II – Qualifications for Participation of Owner Employees

Owner employees may participate in each of the PTSMN Benefit Funds upon meeting the eligibility criteria stated in this section of the Policy.

1. **Work Performed by Owner Employee.** An owner employee must spend at least half of their time performing work covered by a collective bargaining agreement with a Local Union.
2. **Business Entity.** The owner employee, or the employee's spouse, cannot be a sole proprietor or partner in a partnership. Sole proprietors and partners are treated as employers, and not as employees, even if a majority of the owner employee's time is spent performing work covered by a collective bargaining agreement with a Local Union. For purposes of this paragraph, a limited liability company ("LLC") will be treated as a corporation.
3. **Alumni Owner Employees.** If the owner employee wishes to participate in the PTSMN Benefit Funds as a "bargaining unit alumni" employee within the meaning of Treas. Reg. § 1.410(b)-6(d), the owner employee must:
 - a. Have a minimum of two years of vesting service as a collectively bargained employee working with the tools of the Pipe Trades Industry; and
 - b. Have contiguous service with work performed under a collective bargaining agreement with a signatory contractor.
4. **Other Employees of the Employer.** The employer of the owner employee must timely and continuously submit fringe benefit contributions on behalf of at least one other bargaining unit journeyman who is a member of a Local Union participating in the PTSMN Benefit Funds. If the owner employee:
 - a. Is participating in the PTSMN Benefit Funds as a bargaining unit alumni, the employer must employ at least one journeyman employee within 12 months of the owner employee's participation in the PTSMN Benefit Funds.
 - b. Is not participating in the PTSMN Benefit Funds as a bargaining unit alumni, the employer must employ at least one journeyman employee at the time the owner employee begins participating in the PTSMN Benefit Funds.
5. **Opportunity to Participate as an Owner Employee.** Participation in the PTSMN Benefit Funds as an owner employee may only be granted once in a lifetime.
6. **Contribution Obligation.** The employer of the owner employee must submit the entire fringe benefit contribution amount on behalf of the owner employee under the applicable collective bargaining agreement for which the employer is a signatory, for a minimum of 152 hours per month and 1,824 hours per fiscal year, unless the applicable participation agreement requires additional hours.
7. **Recordkeeping Requirements.** The employer of the owner employee is subject to the same rules concerning the keeping of time cards, payment of fringes on an overtime basis, and all other provisions and recordkeeping requirements of the applicable collective bargaining agreement and trust agreement that relate to the calculation of benefits.

8. **Worker's Compensation Coverage.** The employer of an owner employee must carry workers' compensation coverage on all employees, including the owner employee, and provide proof of such coverage to the Fund Office.
9. **Audit Requirement.** The Fund Office will perform mandatory audits on employers within 12 months of the employer's initial contributions to the PTSMN Benefit Funds on behalf of the owner employee.

**Part III – Qualifications for Participation of Non-Bargaining Unit Employees in the
Pipe Trades Services MN Welfare Fund**

NBUEs may participate in the Welfare Fund upon meeting the eligibility criteria stated in this section of the Policy.

1. **NBUE Eligibility.** NBUEs that will participate in the Welfare Fund must be:
 - a. Involved in the Pipe Trades Industry; and
 - b. Full-time employees that:
 - i. Work a minimum of 30 hours per week; and
 - ii. Have the applicable federal, state and local taxes withheld from their wages.
2. **NBUE Participation.** The employer must apply for the coverage of 100% of the employer's NBUEs who are eligible to participate in the Welfare Fund unless the NBUE participates in other group health coverage, such as the group health coverage provided by a spouse's or parent's employer. If a NBUE of the employer participates in other group health coverage, documentation of such other coverage must be provided to the Fund Office
3. **Contribution Obligations.** The employer of the NBUEs authorized to participate in the Welfare Fund pursuant to a properly executed participation agreement:
 - a. Must submit and report the contributions required on behalf of the NBUEs on the same monthly fringe benefit report at the same time and in the same manner as the monthly contribution amounts are due for the employer's bargaining unit employees.
 - b. Must timely and continuously submit the required contribution amount on behalf of the NBUEs that will be participating in the Welfare Fund in the same manner; and
 - c. Are subject to the same recordkeeping and audit obligations, as is required for the employer's bargaining unit employees.
4. **Coverage Provided.** Contributions submitted on behalf of the employer's NBUEs will be used to provide coverage for the month following the month in which the contributions are due. For example, contributions paid for hours worked in January are due to the Fund Office by February 15 and used to provide coverage for the month of March.
5. **Bargaining Unit Employee Participation.** Contributions and the accompanying contribution reports must have been submitted to the Fund Office for at least one bargaining unit employee for at least 10 of the preceding 12 months.

6. **Timeliness of Contributions.** Employers who are delinquent (payments received after the 20th) in the payment of their contributions to the Fund Office twice in a calendar year will not be permitted have their NBUEs participate in the Welfare Fund.
7. **Premium Options.** There is one deductible level (\$2,250.00) and premium amount for the employer's NBUEs which is \$1,563.00. The premium is a "composite" monthly premium amount, which means that the premium is the same amount for single, married or family coverage. The premium amount for the deductible level are subject to periodic change at the sole discretion of the Trustees.
8. **Periodic Audits.** Employers of the NBUEs authorized to participate in the Welfare Fund pursuant to a properly executed participation agreement will be subject to periodic on-site audits of records as designated by the Fund Office to verify compliance with this Policy, the participation agreement, and other applicable rules.

If you have questions about this Policy, please contact the Fund Office at (651) 645-4540.

The requirements described in this Policy are subject to change at any time at the sole and absolute discretion of the Trustees and are intended to comply with any requirements under the Internal Revenue Code, the Employee Retirement Income Security Act, the Labor Management Relations Act and any other applicable laws and regulations.