



Employer Handbook
for
Benefit Contributions

Revised 2019

Pipe Trades Services MN

4461 White Bear Parkway, Suite 1
White Bear Lake, MN 55110
Telephone: (651) 645-4540
Fax: 651-645-8119

PTSMN Web Site: www.ptsmn.org
Select the “Employers” tab for current benefit rate information

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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:

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

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 submitted by “Area” as each area covers different local unions with different fringe benefit rates.

The Areas are as follows:

Minneapolis Area	01
Saint Paul Area	02
Saint Cloud Area	03
Mankato Area	04
Gas Distribution Pipeline	05
Rochester	06
Sprinklerfitters	07
Duluth Zone 1	21
Duluth Zone 2	22

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.

(For example if a contractor has employees from local unions #15 and #539 they are filed on an “Area 01” report, and if they have employees from local unions #34 and #455 they are filed on “Area 02” report).

Using the example above it is most common for us to receive one check for both reports. It would be much more straightforward to track any math errors, underpayments, overpayments or rate issues if we could balance one check to one 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, areas, 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 **SUMMARY** 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.

EMPLOYER ELIGIBILITY REQUIREMENTS

Employers who are eligible to participate in this plan must meet the following criteria:

- Be signed to a contract with Plumbers Local #15 or #34, or Pipefitters Local #455 or #539
- Submit the premiums for non-collectively bargained employees at the same time and on the same report as the collectively bargained employees. The contribution is paid based on hours from the previous month. For example, contributions due by the 15th of December are based on hours worked in the month of November and will be used to provide coverage for January.
- The Pipe Trades Fringe Benefit report must be submitted for at least one Collectively Bargained Employee, in addition to any non-collectively bargained employees.
- Eligible employees are limited to:
 - Non-collectively bargaining unit employees who perform a job related to the Pipe Trades Industry
 - Employees that:
 - Work a minimum of 144 hours per month, and;
 - Have the applicable Federal, & State taxes withheld from their payroll
 - **100% of these eligible non-bargaining unit employees must be covered under this plan unless the employee is covered by an insurance plan of a spouse or parent.**
Proof of spousal/ parental insurance coverage is required.
- Employers who are delinquent (payments received after the 15th) in the payment of the PTSMN Fringe Benefit contribution twice in a calendar year will not be permitted to continue participation.

- Contractors will be subject to periodic on site audits of records as designated by the Fund Office to insure compliance with the eligibility rules.

COLLECTIVELY BARGAINED ALUMNI

The following is a summary of Qualifications for a category of employee called a “Collectively Bargained Alumni”. If you believe you meet the qualifications to participate please contact the Fund Office for more information.

Summary of Qualifications for owner employee participating in the Pipe Trade Services MN Fringe Benefit Funds.

1. **REGULATION** The owner must be a “bargaining unit alumni”. To be considered a bargaining unit alumni; the member must have contiguous service with work performed under the collective bargaining agreement for a signatory contractor and participation as an owner employee.
2. The member must have a minimum of 2 years vesting service as a collectively bargained employee working with the tools before applying for participation as an owner employee.
3. Participation as an owner employee may only be granted once in a lifetime.
4. **REGULATION** The owner employee must work for an incorporated company.
5. The company must continuously submit fringe benefits, on at least one other bargaining unit journeyman Plumber or Pipefitter, after an initial six-month start-up period.
6. **REGULATION** Owner employees are subject to the same rules concerning keeping of time cards, payment of fringes on the overtime basis, and all provisions of the collective bargaining agreement that relate to calculation and accrual of benefits.
7. On the owner employee, the company must submit the entire fringe benefit amount for the local union of which he is signatory, for a minimum of 152 hours per month and 1,824 hours per fiscal year.
8. Owner employees are required to carry worker’s compensation coverage on all employees including themselves, and to provide proof of insurance to the fund office.

9. Being delinquent in submitting fringe benefits is cause for expulsion from the plan as an owner employee.
10. **REGULATION** Bargaining unit alumni in the plan are limited in number to generally not more than 5% of the entire group.
11. All applications for participation as an owner employee are subject to review and approval by the board of trustees.
12. The fund office will perform mandatory audits on all owner employee companies during the first year of operation.