

Iron Workers St. Louis District Council Trust Funds

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June 11, 2018

TO: ALL CONTRIBUTING EMPLOYERS

FROM: BOARD OF TRUSTEES OF THE IRON WORKERS ST. LOUIS DISTRICT COUNCIL
PENSION, WELFARE AND ANNUITY TRUST FUNDS

RE: **RULES FOR OWNER-OPERATOR, FAMILY MEMBER AND ALUMNI PARTICIPATION**

Dear Contributing Employer:

The Board of Trustees has reviewed and revised the rules for owner-operator, family members and alumni participation in the Trust Funds, effective August 1, 2018. The purpose of this letter is to explain changes to the rules, which have been incorporated into the Trust Agreements for the Iron Workers St. Louis District Council Pension and Welfare Funds.

Owners

The term "Owner" means any individual who works, or previously worked as an iron worker (alumni), if he or she is:

- (a) A partner (at any percentage) of a business that is a contributing Employer;
- (b) The sole proprietor of a business that is a contributing Employer;
- (c) The president or a shareholder (of any number of shares) of a corporation that is a contributing Employer;
- (d) A husband or wife of an individual described in (a), (b), or (c) above; or
- (e) Anyone else whose ownership would, in the opinion of the Trustees, jeopardize the tax exempt status of the Fund, or violate the provisions of ERISA.

(over)

Minimum Contributions for Owners

Effective August 1, 2018, whenever an Employer contributes to the Pension and/or Welfare Funds on behalf of an "Owner," or whenever an "Owner" performs work covered under a Collective Bargaining Agreement, the Employer must report and pay minimum monthly contributions to the **Pension and Welfare Funds** on behalf of the "Owner" based on the greater of the following methods: 1) 142 hours per month with a minimum of 425 hours in any calendar quarter; or 2) the actual number of hours worked under the Collective Bargaining Agreement.

Contributions to the **Annuity Fund** on behalf of an "Owner" may be reported and paid based on the actual number of hours worked under the Collective Bargaining Agreement.

Employers that utilize an "Owner" may be subject to annual payroll audits.

Continuing Obligation

Once triggered, the obligation to report and pay minimum contributions to the Pension and Welfare Funds on behalf of an individual who meets the definition of an "Owner" shall continue indefinitely. Any Employer seeking to terminate the obligation must submit a written request to Trustee stating good cause for why the obligation should no longer apply to the individual. The Trustees' decision to grant or deny the request shall be final and contributions must still be paid pending their decision.

Good Cause to Terminate the Obligation

The Trustees have the sole and exclusive authority to determine whether good cause exists to terminate an Employer's obligation to report and pay minimum contributions on behalf of an individual who meets the definition of an "Owner." Such determinations shall be made by the Trustees on a case-by-case basis based on the facts and circumstances of each individual request. The Trustees decision is final and non-appealable.

Questions?

Please contact the Fund Office with any questions.