

STEELWORKERS PENSION TRUST
TERMS AND CONDITIONS GOVERNING BARGAINING GROUPS

Below is a non-exhaustive list of terms and conditions governing the relationship between Participating Employers, the United Steelworkers (“USW”), and the Steelworkers Pension Trust (“Trust”).

Participation

1. The term Bargaining Group refers collectively to the Participating Employer and USW, both of which have entered or plan to enter into a Collective Bargaining Agreement (“CBA”).
2. The Trust at its sole discretion reserves the right to accept or reject any bargaining group, regardless of whether the group explicitly or implicitly states its desire to participate in the Trust either through the collective bargaining process or the CBA, and regardless of the Trust’s reason for such acceptance or rejection.
3. The Bargaining Group is obligated to provide the Trust with a copy of the completed and signed CBA.
4. Participation of a new Bargaining Group is only accepted by the Trust when (1) the Trust determines that such new Bargaining Group is actuarially sound, (2) a CBA is executed by the Bargaining Group, and (3) the CBA unambiguously expresses the parties’ intent to join or to continue participating in the Trust.
5. **If the participation requirements of an existing Bargaining Group are modified through the execution of a CBA, the Trust may review the Bargaining Group in light of the revised participation requirements to determine whether the Bargaining Group is expected to remain actuarially sound and the Trust may terminate the participation of any Bargaining Group it determines to be unsound.**
6. A Pension Incorporation Agreement (“PIA”) is required for every Bargaining Group that joins or continues participation in the Trust.
7. The Bargaining Group is obligated to provide the Trust with a copy of the completed and signed PIA.
8. The Trust is intended to conform to the Employee Retirement Income Security Act of 1974, as amended from time to time (“ERISA”), and other applicable federal law.
9. Part-Time or Temporary employees of a bargaining unit who are excluded from participation in the Trust under the terms of a CBA will nevertheless be considered Covered Employees of the Trust effective with the first calendar year in which such employees work at least 1,000 hours and continuing with each calendar year thereafter, regardless of the number of hours worked in each successive year. For the first year in which a Part-Time or Temporary works at least 1,000 hours, contributions are due for all hours worked at any time in that calendar year.
10. In the event conflicting or ambiguous terms exist between the CBA, the PIA, the Trust’s Declaration of Trust (including any duly authorized amendments thereto), the Trust’s Summary Plan Description (including any Summaries of Material Modifications), and/or ERISA and federal regulations promulgated thereunder, preeminence of the language will be in the following order:
 - a. ERISA and federal regulations promulgated thereunder are preeminent;
 - b. The Declaration of Trust (including any duly authorized amendments thereto) is second in preeminence;

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- c. The Summary Plan Description (including any Summaries of Material Modifications) is third in preeminence;
 - d. The PIA is fourth in preeminence; and
 - e. The CBA is fifth in preeminence.
- 11. Participation requirements apply to the whole of the bargaining unit. Participation of population less than the whole of the bargaining unit will be accepted in certain limited circumstances with prior approval of the Trust. For example:**
- a. Participation may be limited to only newly hired employees of the employer who never worked in the bargaining unit prior to the employer's participation in the Trust;**
 - b. Participation may NOT be limited to only those employees of the employer employed before a certain date.**

Waiting Periods

- 12. A Covered Employee's eligibility to participate shall not be contingent upon any requirement that is in conflict with federal law. This requirement survives any restriction placed upon eligibility of Covered Employees by the CBA.
- 13. A former Covered Employee's eligibility to participate shall not be contingent upon the completion of more than one thousand (1,000) hours worked. This requirement survives any restriction placed upon eligibility of such former Covered Employees by the CBA.
- 14. Waiting Periods for purposes of Trust participation eligibility are not the same as probationary periods for purposes of seniority under the CBA and the Trust will not consider them as being the same unless the CBA unambiguously states that they should be treated as such. The Trust further reserves the right to reject such waiting periods if those periods conflict with any other term or condition of this document, the Trust's Declaration of Trust, or federal law.
- 15. The Trust requires that Waiting Periods be expressed in terms of calendar days and not in terms of some other time measure, such as hours or weeks. In the event the CBA expresses waiting periods in terms of a time measure other than calendar days, it is strongly suggested that the bargaining parties negotiate and agree in writing some conversion equivalent to define Waiting Periods in terms of calendar days.

Contributions and Contribution Reports

- 16. Contributions are solely Employer-Paid. Employee Contributions are not accepted.
- 17. The Benefit Month is the calendar month in which contributions are due.
- 18. The Wage Month is the *entire* calendar month immediately preceding the Benefit Month.
- 19. The amount of contributions due the Trust by the Employer in any given Benefit Month is based on the Contribution Base Units (CBUs) accumulated during the Wage Month.
 - a. The Trust recognizes three forms of CBUs:
 - 1) A flat amount per Hour Worked in the Wage Month (e.g., \$1.00 per Hour Worked)
 - 2) A percentage of Gross Earnings earned in the Wage Month (e.g., 5% of Gross Earnings)
 - 3) A flat amount per Wage Month (e.g., \$100.00 per Wage Month in which at least one hour of work is performed)

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- b. The Trust mandates minimum contribution rate levels, depending on the contribution basis chosen by the bargaining group:
 - 1) If the “Flat Amount per Hour Worked” basis is chosen, the Trust requires a minimum contribution rate of \$0.20 per Hour Worked
 - 2) If the “Percentage of Gross Earnings” basis is chosen, then the Trust requires a minimum contribution rate of 2% of Gross Earnings
 - 3) If the “Flat Amount per Wage Month” basis is chosen, then the Trust requires a minimum contribution rate of \$34.67 per Wage Month
- 20. No Split-Month Contributions are permitted. If the CBA states that a new contribution rate takes effect on a date other than the first day of a calendar month, the new contribution rate will be deemed to be in effect for *any and all* CBUs accumulated during the *entire* Wage Month.
 - a. For example, if the CBA states that the contribution rate will increase from \$1.50 to \$2.00 for all Hours Worked effective March 17, 2013, then all Hours Worked on or after March 1, 2013 will be entitled to the increased contribution rate of \$2.00 for the entire Wage Month of March 2013.
- 21. Contribution Rate Schedules apply to the whole of the bargaining unit. Contribution Rate Schedules that provide for lower contribution rates for employees hired after a particular date are not accepted. Similarly, restrictions on contributions to only those employees within the employment of the employer as of a particular date are not accepted.
- 22. All Contributions and Contribution Reports are due by the 10th date of the Benefit Month.
- 23. It is the Participating Employer’s obligation to ensure that the submitted Contribution Reports are complete and accurate.
- 24. Contribution Reports and the data contained therein must be reported on the form (or in an electronic layout) and with the appropriate coding approved by the Trust.
- 25. Complete Social Security Numbers are required on Contribution Reports
- 26. When multiple months of Contributions are submitted to the Trust concurrently, separate Contribution Reports must be submitted for each month.

Payroll Audits

- 27. Among the Trust’s many fiduciary obligations under federal law are the requirements of preserving and maintaining Trust assets, identifying the beneficiaries of the Trust, and notifying the beneficiaries of the Trust of the benefits to which they are entitled. The Trust’s legitimate concerns for satisfying these obligations are addressed through the auditing of payroll and other records through its Payroll Audit process. Further, because an elementary principle of generally accepted auditing standards dictates that for an auditor to verify a certain selection decision he must refer to a universe broader than the selection itself, the Trust does and will not limit the scope of its audits to the payroll records of union or bargaining unit employees only. The Trust does not yield on this point.

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28. The Trust's Field Auditors provide sufficient notice to Participating Employers of the auditor's intent to visit the employer's site for purposes conducting an audit. A letter of confirmation is sent to employers approximately three months in advance of the scheduled date of a field auditor's appearance. A second letter of confirmation is sent approximately one month in advance of same. An Employer who is unable to accommodate the scheduled appearance is expected to notify the Trust at least two weeks prior to the appearance, and is expected to work with the field auditor in scheduling a mutually beneficial date for the auditor's visit; such mutually beneficial date being within a reasonable time of the originally scheduled date, but in no event more than three months from the originally schedule date. If the Trust does not receive notice of an Employer's inability to accommodate the scheduled audit at least two weeks prior to the first day of said audit, the Employer will bear the auditor's travel and lodging costs.

Purchase of Past Service

29. A Bargaining Group may request, with the Trust's consent, the purchase of credit for past service with that Employer for purposes of Disability Retirement and Rule of 85 Early Retirement.
30. To be eligible for the purchase of past service, the employer must have become a Participating Employer after December 31, 1986.
31. Employees of the bargaining unit who are on leaves of absence or layoff from the employer at the time the Bargaining Group joins the Trust are considered active employees of the employer unless the parties explicitly and unambiguously exclude such individuals in writing signed by both parties on or before the time the Bargaining Group joins the Trust.
32. The Trust's actuary will determine the cost of purchasing past service and this value is not negotiable.
33. The Participating Employer shall pay the cost of such past service credit in a payment separate from any monthly contribution due.
34. Contributions paid for the purchase of past service do not serve to increase the benefit accruals of the affected Covered Employees, but offset the cost of providing these additional eligibilities.

Determination of Benefit Accrual Rates

35. The Trust's Board of Trustees retains sole authority and discretion over the benefits and eligibility therefore provided by the Trust, including the rates of benefit accrual.