



LIAISON ALERT

FEBRUARY 2020

RULES FOR CONTRIBUTING ON WORKING OWNERS

The National Electrical Benefit Fund (NEBF) requires covered employers to contribute on every employee working under a Collective Bargaining Agreement. Contributions on behalf of employees outside of the bargaining unit are only permitted if the employer has a Participation Agreement with the NEBF.

The NEBF only accepts contributions on behalf of working owners if:

- there is an explicit provision in the Collective Bargaining Agreement permitting the owner to perform bargaining unit work, *or*
- there is a Participation Agreement between the employer and the NEBF. The Participation Agreement may be an All or an Alumni agreement.

All

An "All" Agreement covers each and every employee not covered by the collective bargaining agreement — this includes all full-time and part-time employees.

Alumni

An "Alumni" Agreement covers each and every employee who has earned at least one service credit under an IBEW collective bargaining agreement.

The Collective Bargaining Agreement provision permitting an owner to perform bargaining unit work must be contained in the body of the agreement or in an attached amendment to the agreement.

The NEBF also recognizes organizing agreement provisions that specify the right of the owner to perform collective bargaining work. However, if that right is limited in time, the NEBF will only accept contributions for the length of time specified in the agreement.

Contributions on Behalf of Working Owners

Under a Collective Bargaining Agreement (CBA)

Based on the **greater of** ...

- 3% of the owner's gross pay, or
- 3% of the prevailing journeymen wage rate multiplied by the normal straight time hours.

Under a Participation Agreement (PA)

Based on the **lesser of** ...

- 3% of the owner's gross pay, or
- 3% of the owner's "capped" wages.

When a working owner in a Participation Agreement earns more than a full-time journeyman in any reporting period, the gross earnings on which the NEBF contribution is made for that reporting period will be "capped". To determine the "Cap" Wage for your area, you can use the Wage Cap Calculator available on the NEBF website or manually calculate using the following formula:

$$173 \text{ hours} \times \text{JWR in your CBA} \times 52 \text{ weeks} \div 12 \text{ months}$$

Each time the JWR changes, the Reportable Earnings Cap will also change.

NOTE: If you are an owner, you either need a Participation Agreement to contribute at the capped wage, or you can contribute pursuant to the Collective Bargaining Agreement with owners language but must pay on 3% of your entire gross wages if greater than the capped wage. Please note, if you have a Participation Agreement, you must choose either All or Alumni.

If you have any questions, please feel free to contact the NEBF at 301-556-4300. Thank you.

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