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AFFILIATES' PENSION PLAN CONTRIBUTION REQUIREMENTS

Revised December 2018

Participating entities are required to remit contributions to the SEIU Affiliates' Officers and Employees Pension Plan ("Affiliates' Plan") on behalf of full-time, part-time, and temporary employees.

Effective April 2018, contributions for ***temporary or part-time employees*** are not due until and unless the employee becomes a Plan participant. These new rules are described below. ***There are no changes to the contribution requirements for full-time employees.***

Once contributions are due on an employee, they must continue as long as employment continues, even if future compensation or service drop below the thresholds listed.

Full-time Employees

Contributions for full-time employees must begin as of date of hire.

Full-time employees are those:

1. employed on a full-time, permanent basis **and**
2. anticipated to earn $4,000 or more (or, if less, work 870 hours or more) in any 12-month period

Temporary or Part-time Employees

Effective April 1, 2018, contributions for those who are not full-time, permanent employees will be due at the time that the employee satisfies the criteria for participation in the Plan, and then must be made retroactive to the employee's date of hire.

A temporary or part-time employee will become a participant in the Plan once the following requirements have been met in any 12-month period:

1. complete at least 12 consecutive months of service, **and**
2. earn $4,000 or more in gross compensation or, if less, 870 hours of service.

Once a temporary or part-time employee becomes a participant, contributions must be made retroactive to the beginning of the relevant 12-month period.

Requests for Waivers

The Trustees had previously authorized the Fund office to honor requests from participating organizations to waive the requirement for contributions for a temporary employee if certain conditions were met. Such waivers are no longer necessary based on the new contribution requirements for temporary employees.

The following examples illustrate the contribution rules effective April 2018:

Example 1 – Full-time employee

Employee 1 is hired on June 1 on permanent basis and is scheduled to earn more than $4,000 in the next 12 months.

Contributions are required from date of hire.

Example 2 – Temporary employee hired prior to April 2018

Employee 2 was hired on January 1, 2018 for 6 months (temporary basis). Under the prior contribution rules, the employer has not yet been required to contribute on this employee, but would need to if the employee worked past 6 months and had earned more than $4,000.

Under the revised contribution rules, contributions are not required on behalf of *Employee 2* until he becomes a Plan participant (completes at least 12 consecutive months of service and earns at least $4,000 or more in gross compensation (or, if less 870 hours of service) in a consecutive 12-month period). Once due, contributions will be required retroactive to the beginning of the relevant 12-month period.

If *Employee 2* works only the planned 6 months, he will not have gained participation in the Plan and contributions will not be due on his behalf.

However, if *Employee 2* continues to work through December 2018, and earns at least $4,000 during 2018, he will become a Plan participant on January 1, 2019 and contributions will be required retroactive to date of hire (i.e., for all service during the prior 12 months.)

Example 3 – Part-time employee hired in April 2018

Employee 3 was hired on April 3, 2018 to work 10 hours per week (part-time basis).

Contributions are not required on behalf of *Employee 3* until she becomes a Plan participant (completes at least 12 consecutive months of service and earns at least $4,000 or more in gross compensation (or, if less 870 hours of service) in a consecutive 12-month period). Once due, contributions will be required retroactive to the beginning of the relevant 12-month period.

If *Employee 3* works in every month from date of hire through March 2019, and earns at least $4,000 during that period, contributions will be required effective April 1, 2019 and will be due retroactive to date of hire (i.e., for all service during the prior 12 months).

Example 4 – Part-time employee hired in 2017 – not yet being contributed on

Employee 4 was hired on October 1, 2017 on a part-time basis. She worked in every month other than December 2017, worked more than 60 days, and earned more than $4,000.

Under the prior contribution requirements, the employer would have been required to contribute on *Employee 4* starting in May 2018 (after she had worked 6 months in the last 12 months), and contributions would be due back to date of hire. However, under the revised contribution requirements*, Employee 4* has not satisfied the requirements for participation in the Plan (i.e., she has not completed 12-consecutive months of service), so contributions are not yet required on *Employee 4*.

If *Employee 4* continues to work every month in 2018 and earns more than $4,000, she will meet the requirements to participate in the Plan on January 1, 2019. Therefore, contributions will be due for service starting January 2019 and retroactive contributions must be paid for the prior 12-month period.

<u>Example 5 – Part-time employee hired in 2017 – already being contributed on</u>

Employee 5 was hired on a part-time basis starting on January 1, 2017. She has worked in every month since except August 2017, has worked more than 60 days, and has earned more than $4,000.

Under the prior requirements, retroactive contributions were required beginning in July 2017 (after she had worked 6 months in the last 12 months) and would have included retroactive contributions back to date of hire. However, under the revised contribution requirements*, Employee 5* has not satisfied the requirements for participation in the Plan (i.e., she has not completed 12-consecutive months of service), so contributions are not yet required on *Employee 5*.

The employer may stop making contributions on behalf of *Employee 5* effective for service on or after April 1, 2018. Retroactive contributions will be required again once *Employee 5* works 12 consecutive months and assuming she has earned at least $4,000 in that 12-month period.

If *Employee 5* continues to work every month after August 2017 and earns more than $4,000, she will meet the requirements to participate in the Plan on September 1, 2018. Therefore, contributions will be due for service starting September 2018 and retroactive contributions must be paid for the prior 12-month period.

Please direct all questions relating to contribution requirements to the following email address: contributioncompliance@seiufunds.org.

8695956v3/02184.101 rev 12/18