



STEAMFITTERS LOCAL UNION 420

ANTHONY GALLAGHER
Business Manager

KEVIN HEFFERNAN
Financial Secretary/Treasurer

SPECIAL NOTIFIED MEETING

April 4, 2016

Dear Brothers and Sisters:

As your Business Manager, I am writing to notify all Building Trades Members, Mechanical Equipment Service Members, Gas Distribution Members and Instrument Technicians of a special notified meeting to be held at the Union Hall on Thursday, April 21, 2016 at 7:00 p.m. The purpose of this special notified meeting will be to vote upon the allocation of the May 1, 2016 MCA contract increase and the May 15, 2016 SCA contract increase.

Due to increases in our medical claims, Independence Blue Cross sought a significant increase in our insurance premium, an increase that would have required that we allocate an additional \$1.35 per hour to the Health & Welfare Fund. After much study, the Trustees of the Health & Welfare Fund concluded that they could more effectively control health care costs and design a plan of benefits that works for our members by moving to a self-insured health plan. The Trustees expect to keep costs in check in the first year of self-funding and hope to continue to restrain the increase in costs through innovative plan design in future years. For now, the plan of benefits will remain unchanged, even though the Plan will now be self-funded. As a result of moving to that self-funded platform, we are recommending a contribution increase of \$0.60 per hour to the Health & Welfare Fund.

While the Pension Fund remains in critical status (also known as the "red zone") for the 2016 plan year, the Pension Fund continues to meet the requirements of its federally-mandated Rehabilitation Plan. Accordingly, no increase in the Pension Fund contribution will be needed this year.

As to the Supplemental Retirement Plan (SRP), we recommend a contribution increase of \$0.25 per hour.

We continue to focus on increasing work opportunities for our members by assisting our contractors in bidding against non-union competition and by protesting in those areas where developers and others seek to undermine our union standards. We have been, and need to continue to support politicians who share our vision of the future. For those reasons, we recommend an increased deduction from wages of \$0.05 per hour to the OMR Fund and \$0.05 per hour to the Piping Industry Political and Education (PIPE) Fund.

Finally, we recommend an increase of \$0.50 per hour in the wage deduction for our Vacation Benefit. The Vacation Benefit has remained unchanged at \$1.00 per hour since 1975. The additional allocation of wages to the Vacation Benefit will provide a more realistic Vacation Benefit check to our members, one that can actually pay for a vacation.

If approved, the 2016 contract increases and wage deductions would be allocated as follows:

Building Trades Journeyman – Effective May 1, 2016		
	Philadelphia	Reading & Lehigh Valley
Health & Welfare Fund	\$0.60	\$0.60
SRP	\$0.25	\$0.25
Gross Wages	\$2.00	\$1.75
Less Wage Deductions:		
OMR	\$0.05	\$0.05
PIPE	\$0.05	\$0.05
Vacation	\$0.50	\$0.50
<i>Net Wages</i>	\$1.40	\$1.15
Total	\$2.85	\$2.60

Mechanical Equipment Service - Effective May 15, 2016		
	Philadelphia	Reading & Lehigh Valley
MES Journeyman (MESJ)		
Health & Welfare Fund	\$0.60	\$0.60
SRP	\$0.25	\$0.25
Gross Wages	\$2.00	\$1.75
Less Wage Deductions:		
OMR	\$0.05	\$0.05
PIPE	\$0.05	\$0.05
Vacation	\$0.50	\$0.50
<i>Net Wages</i>	\$1.40	\$1.15
Total	\$2.85	\$2.60
MES Serviceman (MESS)		
Health & Welfare Fund	\$0.60	\$0.60
SRP	\$0.25	\$0.25
Gross Wages	\$1.44	\$1.32
Less Wage Deductions:		
OMR	\$0.05	\$0.05
PIPE	\$0.05	\$0.05
Vacation	\$0.50	\$0.50
<i>Net Wages</i>	\$0.84	\$0.72
Total	\$2.29	\$2.17

We urge you to attend this very important meeting.

Fraternally yours,



Anthony Gallagher
Business Manager