

**SMART Local 265 Fringe Benefit Funds**  
**Procedures for the Collection of Contributions**  
**Quick Reference Guide for Employers**

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| <b>What is the Collection Policy?</b>          | A system for monitoring employers' compliance with their obligations to make contributions to the Funds, so that they may be applied timely for the benefit of the Benefit Funds' participants           |
| <b>Who is this Collection Policy for?</b>      | Any contributing Employer to SMART Local 265   |
| <b>Who is enforcing the Collection Policy?</b> | The Board of Trustees, SMART Local 265 Fringe Benefit Funds, and Fund Counsel (if applicable)  |
| <b>Why do we have a Collection Policy?</b>     | It is mandatory per Department of Labor guidance. Also, to avoid being the lender of first resort for an Employer that has cash-flow problems, which is considered a prohibited transaction under ERISA. |

**Timeline of Notices**

- Example: November 2024 contributions
- When are they due? December 20, 2024
- **First Notice:** sent January 1, 2025
  - You have until January 6, 2024 (17 days from the due date) to make a payment without being assessed any interest or liquidated damages.
  - If payment is not received by January 6, 2024, interest will be assessed at 0.0233% per day, compounded daily, until payment is received.
  - Liquidated damages, generally at 10%, will also be assessed.
- **Second Notice:** sent January 15, 2024
  - Interest will be assessed at 0.0233% per day, compounded daily, from January 6, 2024 until payment is received.
  - Liquidated damages, generally at 10%, will also be assessed.
  - Attorneys' fees, audit fees, and other collection costs may also be assessed.
- **Final Notice:** February 1, 2024
  - Interest will be assessed at 0.0233% per day, compounded daily, from January 6, 2024 until payment is received.
  - Liquidated damages, generally at 10%, will also be assessed.
  - Attorneys' fees, audit fees, and other collection costs may also be assessed.
  - May be subject to withdrawal of labor;
  - The Trustees may terminate the Employer's participation in the Benefit Funds;
  - Any Owner/Member of a Delinquent Employer may cease to accrue benefits, or have his/her benefits adversely affected, under the terms of the applicable plan documents.

## **Frequently Asked Questions**

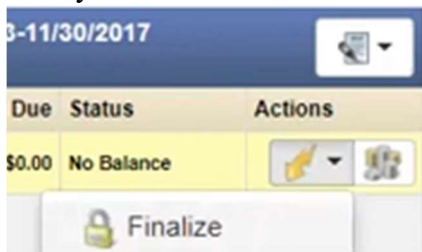
1. What if I am delinquent for more than 1 month?
  - a. Your file will be referred to Fund Counsel for collection once you receive the Final Notice.
  - b. Fund Counsel may attempt settlement for a limited time before filing a lawsuit.
  - c. If a lawsuit is filed against you:
    - i. Interest at the rate of 0.0233% per day, compounded daily assessed from the 17<sup>th</sup> day following the date contributions are due, to the payment receipt date, and
    - ii. Liquidated damages equal to 20% of the delinquent contributions.
2. How can I pay my outstanding delinquency?
  - a. Payments must be applied to the oldest delinquent month first.
  - b. You cannot pay for more recent contribution months until the delinquency is resolved.
  - c. If you are unable to pay the oldest delinquency month first online on the Internet Payment System (IPS), you must submit the hours report (printable from the IPS) and send the report with a check to the Fund Office.
  - d. Once you are caught up with payments, you can start paying online again.
3. Do I have a right to appeal the interest and liquidated damages?
  - a. You must pay the interest assessed on any late payments. The Fund must adhere to this guideline to avoid any prohibited transaction under ERISA.
  - b. You may submit a written appeal to the Fund Office detailing what and why you are appealing. The Collections Committee will review your appeal and advise of their decision.
4. What if I paid too much in contributions?
  - a. A refund can be granted if the overpayment is found within one (1) year from the date in which the contributions were due. You must submit your request in writing with backup to support your request.
  - b. We strongly recommend auditing your own books on a regular basis to ensure the correct hours and contributions are being paid.
  - c. In special circumstances, the Trustees may permit the refund of contributions for longer periods, but not more than six (6) months after the Trustees determine that there was an overpayment.
5. What if I selected the wrong class code when reporting benefits in the IPS?
  - a. If you noticed the error prior to the scheduled date of payment, please contact the National Pension Fund CBA contact to have the reports adjusted.
  - b. If the Fund Office received the wrong class code, we will notify you via email and/or mail of the adjustment and the discrepancy between the amount owed and the amount paid.
    - i. National Pension Fund will also email you once the adjustment is entered in the IPS and the adjustments will be available for your approval online.
    - ii. NOTE: You must approve both reports associated with the discrepancy. One report will be a negative amount under the wrong class code that was entered. The other report will be a positive amount under the correct class code. Approving both reports will either send the additional money to the Fund Office or will reduce your regular monthly remittance by the appropriate credit.

## Frequently Asked Questions

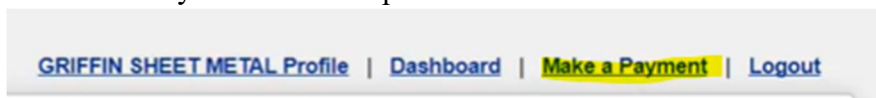
6. Why do I need to submit a zero hour report and how can I do it?
  - a. If you do not have any Local 265 members working in a month, you must submit a zero hour report thru the Internet Payment System so we do not mark your company as delinquent for the month.
  - b. If you are not signatory to Local 265 and will no longer use Local 265 members, contact the Fund Office for next steps to close your file.
  - c. To learn how to enter a zero hour report, follow the below steps or watch this video on YouTube from the National Benefits Funds on how to submit: [bit.ly/NPFzero](http://bit.ly/NPFzero)

### How to Enter a Zero Hour Report

- Log into IPS for National Benefits Fund
- Click on the month you want to enter zero hours for
- Find the report that says:
  - Contract #: 2650401
  - Job Class Code: J – Journeyman
  - \*\*You may enter zero hour reports for other class codes, but the Fund Office needs at least the Journeyman report
- Click on the yellow arrow to access the dropdown menu and select finalize



- Click on “Make a Payment” at the top



- Check the box(es) on the far right-hand side for the Local zero hour report
- Click “Pay” under the Local column
  - The amount shown to pay should equal \$0

| National Paid | Pay National | Pay National                       | Local Total | Pay Local                          |                          |
|---------------|--------------|------------------------------------|-------------|------------------------------------|--------------------------|
| \$0.00        | \$2,196.80   | <input type="checkbox"/>           | \$1,505.80  | \$1,505.80                         | <input type="checkbox"/> |
| \$0.00        | \$2,565.70   | <input type="checkbox"/>           | \$2,575.50  | \$2,575.50                         | <input type="checkbox"/> |
| \$0.00        | \$4,762.50   | \$0.00                             |             | \$0.00                             |                          |
|               |              | <input type="button" value="Pay"/> |             | <input type="button" value="Pay"/> |                          |

- On the bank information page nothing needs to be changed. Click “Submit Payment”
- Done! These steps will send the zero hour report to Local 265 on the following week’s remittance file