

APPENDIX D – SHEET METAL WORKERS’ INTERNATIONAL ASSOCIATION MASTER RECIPROCAL AGREEMENT

The purpose of the Sheet Metal Workers’ International Association Master Reciprocal Agreement (“Agreement”) is to enable a sheet metal worker to have his/her fringe benefit contributions attributable to sheet metal work performed outside of the jurisdiction of his/her Home Local forwarded to the employee benefit fund sponsored by the sheet metal worker’s Home Local including a sheet metal workers national employee benefit fund if the employee in the Home Local participates in a national fund. This Agreement applies to four categories of employee benefit funds: (a) defined benefit pension funds, (b) defined contribution pension funds (e.g. 401(k) plans or annuity plans), and (c) health & welfare funds. A fund will be covered by this Agreement only if it has executed both this Agreement and one or more of the following addendums to this Agreement, as applicable: (a) The Defined Benefit Pension Fund Addendum, (b) The Defined Contribution Pension Fund Addendum, or (c) The Health and Welfare Fund Addendum.

To be effective, the Agreement and Addendum must be executed by a duly authorized representative of a Signatory Fund. WITNESSETH:

WHEREAS, the Trustees of each Signatory Fund acting under separate Plan and Trust Documents are authorized and empowered to grant and administer benefits, under their respective Plans to employees who are and have been represented in collective bargaining by Local Unions affiliated with the Sheet Metal Workers’ International Association; and

WHEREAS, because of the mobility of employees and employers, many employees work in the jurisdiction of several different employee benefit funds during their working lifetimes; and

WHEREAS, it is usually the case that sheet metal workers are advantaged if they received credit under the fund(s) in which they participate through their Home Local for work outside of the jurisdiction of their Home Local.

WHEREAS, it is intended, in such cases, that the contributions made on behalf of those sheet metal workers be paid to the fund(s) in which they participate through their Home Local rather than the corresponding fund(s) in the jurisdiction where the work is being performed, pursuant to a reciprocity agreement entered into by those funds.

WHEREAS, it is in the interest of all Signatory Funds in each of the above four categories and all participants in these Signatory Funds to standardize the reciprocity agreements among those categories of Signatory Funds; and

WHEREAS, each Signatory Fund is qualified as tax-exempt under the appropriate provision of the Internal Revenue Code, and currently operating in such a manner as to continue to be entitled to exemption; and

WHEREAS, the Trustees of each Signatory Fund represents and warrants that they have been duly authorized to make, execute and deliver this Agreement and agree that their respective Signatory Fund acts as a custodian for the contributions that are required to be forwarded to another Signatory Fund;

NOW THEREFORE, in consideration of the mutual promises made between and among the Boards of Trustees of the Signatory Fund(s), it is mutually understood and agreed as follows:

Section 1. Form of Reciprocity - The Board of Trustees of each Signatory Fund has adopted the applicable Addendum, which provides for a “money follows the man” form of reciprocity, whereby contributions received by one or more Signatory Fund(s) are forwarded to the employee’s Home Fund or Home Funds. Home Fund or Home Fund(s) shall mean the Signatory Fund(s) established by the Employer(s) and the Local Union (the “Home Local”), which represents the employee in question for purposes of collective bargaining in the primary geographic area in which the employee is employed. Cooperating Fund or Cooperating Funds shall mean the Signatory Fund(s) obligated to forward contributions received by it to the Home Fund(s). A Cooperating Fund holds such contributions merely as a transfer agent and a non-fiduciary custodian for the Home Fund(s). The Trustees of each Cooperating Fund and each Home Fund acknowledge and agree that any contributions received by a Cooperating Fund are solely assets of the Home Fund to which those contributions are to be forwarded, and the Trustees of the Cooperating Fund have no control or authority with respect to the management or disposition of those assets. All fiduciary functions and duties regarding those contributions rest solely with the Trustees of the Home Fund to which the contributions are required to be forwarded.

Section 2. Recognition - Each Signatory Fund, for the period it is bound by this Agreement, recognizes each other Signatory Fund as a “Cooperating Fund” to the extent that such Fund has signed this Agreement and executed the applicable Addenda.

Section 3. Cooperation - Each Signatory Fund agrees to exchange information as necessary to permit implementation of the provisions in this Agreement and each applicable Addendum. Each Fund shall comply promptly with a reasonable written request of another signatory Fund for information or data necessary to carry out the purposes of this Agreement.

Section 4. The Board of Trustees of each Signatory Fund agrees that, to the extent permitted by law, no change shall be made in the provisions of its governing documents, which would have the effect of changing the provisions of the Agreement or any Addendum to which it is Signatory, including the Signatory Plan amendment, which is an Exhibit to each Addendum

Section 5. Duration of Agreement - The Effective Date of the Agreement and the applicable Addenda shall be date set forth as the Effective Date shown on this Agreement and the applicable Addenda. Notwithstanding the foregoing, this Agreement shall first be operative with respect to each category of Funds when there are two Signatory Funds in that category and shall continue in effect with respect to that category as long as there are two or more Signatory Funds in that category.

Section 6. Central Filing of Agreements - Within ten (10) days from the date of execution of this Agreement and each applicable Addendum, the Signatory Fund(s) shall file a signed original of the Agreement and each applicable Addendum(s) with:

Reciprocal Agreement Administrator
General Secretary Treasurer
Sheet Metal Workers' International Association
1750 New York Ave. N.W.
Washington, DC 20006

Section 7. Release – By entering in to this Agreement and each applicable Addendum, the Board of Trustees of each Home Fund hereby releases the Board of Trustees of each Cooperating Fund from any and all liability or claim by any employee, or by anyone claiming through the employee, which arises out of or relates to the forwarding of contributions to the applicable Home Fund(s). The Home Fund is responsible for explaining to each of its participants that his/her eligibility for benefits and all other questions relating to his/her participation are governed by the plan document(s) of the Home Fund(s) and not by the terms of the plan document(s) of the Cooperating Fund(s).

Section 9. Forwarding of Contributions – As soon as practicable after receipt of proper notice pursuant to the Constitution and ritual of the of the Sheet Metal Workers International Association and Affiliated Local Unions Union(s) that maintains the Cooperating Fund(s) will collect and forward to the employee's Home Fund(s) the contributions made to the Cooperating Fund(s) for the employee's hours of work in the jurisdiction of the Cooperating Fund(s). In any event, the Cooperating Fund will forward the contributions to the Home Fund(s) as soon a practicable after the date it learns that the contributions are supposed to be forwarded to the Home Fund(s) and are not assets of the Cooperating Fund. The contributions so forwarded shall be accompanied by such records or reports which are necessary or appropriate. Except as may be provided in the applicable Addendum, the Cooperating Fund(s) shall forward the actual dollar amount of contributions received regardless of any differences in the contributions rates between the Cooperating Fund(s) and the Home Fund(s). No administrative fee shall be deducted by the Cooperating Fund(s).

Section 10. Eligibility – Each Home Fund shall be responsible for determining whether an employee is eligible to accrue and/or receive benefits from the Home Fund based on the Home Fund's plan document(s).

Section 11. Designation of New Home Fund – If an employee transfers or otherwise changes his membership from one Local Union to another Local Union, his Home Fund(s) shall be the Signatory Fund(s) in the jurisdiction of his/her new Local Union.

Section 12. Termination - The Board of Trustees of a Signatory Fund may terminate participation in this Agreement by sending a notice of termination, via certified mail, to the Reciprocal Agreement Administrator at the address listed above. A termination notice shall be effective only if the following criteria are met:

- (a) The notice states that the intended termination date is 90 days after the date of the notice's mailing.

- (b) The notice if signed by one Union and one Employer Trustee who have been duly authorized to execute the termination notice.
- (c) All contributions required to be forwarded to another Signatory Fund have in fact been forwarded prior to the intended termination date.

Section 13. Publication – The Reciprocal Agreement Administrator will cause to be published periodically, but at least semi-annually, a list of all Signatory Funds by category and list of all Signatory Fund that have filed a notice of termination of their participation in this Agreement since the last list was published.

Section 14. Dispute Resolution – In the event that any dispute between Signatory Funds arising out of or relating to the interpretation, application or operation of the Agreement and/or the Addendum(s) hereto cannot be resolved informally, the disputed matter shall be subject to final-and-binding determination by an impartial party designated by the Reciprocal Agreement Administrator. The Board of Trustees of either Signatory Fund must give notice to the Board of Trustees of the other Signatory Fund of its intention to submit the dispute to the General President within thirty days after the date of their failure to agree. The determination of the impartial party shall be final and binding upon the interested parties including the respective Boards of Trustees.

Section 15. Separate Liability –

- (a) It is expressly understood and agreed that no Signatory Fund assumes any of the liabilities or obligations of any other Signatory Fund. Each Signatory Fund shall be liable solely and exclusively for benefits due under its own plan, and no Signatory Fund shall be liable for the acts or omissions of any other Signatory Fund and/or the Board of Trustees of any other Signatory Fund.
- (b) The Board of Trustees of each Signatory Fund shall be fully protected in acting upon any instrument, certificate, report or paper believed by them to be genuine, and the Board of Trustees of each Signatory Fund shall be under no duty to investigate or inquire as to any statement in any such writing, or as to the authority of the person making such statement, but may accept the same as conclusive evidence of the accuracy of the statement contained therein and the authority to make it.

Section 16. Miscellaneous –

- (a) This Agreement may not be modified, varied, or altered except pursuant to an amendment agreed to by a majority of the Signatory Funds.
- (b) This Agreement shall be construed and enforced according to the laws of the District of Columbia to the extent not preempted by the Employee Retirement Income Security Act of 1974, as amended.

- (c) This Agreement shall supersede any existing agreements among Signatory Funds to the extent they conflict with terms of the Agreement and/or the applicable Addendum(s).
- (d) Neither the Sheet Metal Workers' International Association nor its officers, employees or agents shall in any way be responsible or liable for the payment of benefits, the transfer of monies, the accuracy of reports, or for any acts and omissions of any Signatory Fund; nor shall they have any financial or legal liability with regard to transactions between Funds pursuant to this Agreement or the administration of this Agreement.

IN WITNESS WHEREOF the undersigned Signatory Fund by the signatures of its duly authorized representative(s) hereby becomes a party to this Agreement and agrees to be bound by its terms and provisions. The Effective Date for the following shall be:

_____, 20_____.

Authorized Representatives Signature

Print First Name, Last Name, Position

ADDENDUM A (DEFINED BENEFIT PENSION FUND) TO THE
SHEET METAL WORKERS' INTERNATIONAL ASSOCIATION
MASTER RECIPROCAL AGREEMENT

The Trustees of the _____ Fund ("Fund") agree as follows:

The Fund is a defined benefit pension plan that provides pension and ancillary benefits to participants who are covered by a collective bargaining agreement to which a Local Union of the Sheet Metal Workers' International Association is a party.

All terms in this Addendum shall have the same meaning as in the Sheet Metal Workers' International Association Master Reciprocal Agreement. When the Fund forwards Contributions under the Agreement and this Addendum, it acts as a Cooperating Fund, and is acting only in the capacity of a non-fiduciary custodian and/or transfer agent. The Contributions being forwarded are at all times assets of the Home Local Fund(s).

As soon practicable, after receipt of: (i) a written notice from the Local Union that maintains the Cooperating Fund(s) (the "Cooperating Local") that there is an employee from another Local Union's jurisdiction working under a collective bargaining agreement within the jurisdiction of the Cooperating Local, and (ii) defined benefit pension plan Contributions for hours of work performed by that employee, the Cooperating Fund will forward all those Contributions to the employee's respective Home Fund(s) together with a report showing, by employee, the hours for which the Contributions have been paid along with any other information, if any, upon which Contributions are based as follows:

1. If the employee is working under a collective bargaining agreement in the jurisdiction of the Cooperating Local, which only provides for Contributions to the Sheet Metal Workers' National Pension Fund ("NPF") and he/she does not participate in another Home Local Fund, then there will be no transfer of Contributions since the NPF is both the Cooperating Fund and the Home Local Fund.
2. If the employee is covered by a defined benefit pension plan in his/her Home Local and is not covered by the NPF, then the Cooperating Fund will transfer all Contributions to the Home Local Fund.
3. If the employee is working under a collective bargaining agreement in the jurisdiction of the Cooperating Local, which only provides for Contributions to a Home Local Fund other than the NPF and the employees Home Local Fund is the NPF and there is not other Home Local defined benefit pension Fund, then the Cooperating Fund will transfer all Contributions to the NPF.
4. If the Home Local's collective bargaining agreement provides for Contributions to the NPF and another Home Local Fund, then the Cooperating Fund (if not the same as the NPF) will forward the full amount of Contributions to the NPF, and the NPF (acting in the capacity of a Cooperating Fund) will forward the amount in excess of the NPF rate under the Home Local's

collective bargaining agreement to the Home Local Fund. In event that the amount in excess of the NPF rate is greater than the Home Local Fund's rate, the NPF will not forward such excess. Instead, the amount of the Contributions in excess of the Local Fund amount will be treated as having been made for work performed in covered employment under the NPF.

5. If the Home Local's collective bargaining agreement does not provide for contributions to the NPF or any other defined benefit fund, then all of the contributions shall be paid to the Home Local Fund that is a defined contribution Signatory Fund.

The sole method of terminating this Addendum is pursuant to the termination provisions in the Sheet Metal Workers International Association Master Agreement.

IN WITNES WHEREOF the undersigned Defined Benefit Fund by the signatures of its duly authorized representative(s) hereby becomes a party to this Addendum and agrees to be bound by its terms and provisions:

_____, 20_____.

Authorized Representative

Print First Name, Last Name, Position