



IAM NATIONAL  
PENSION FUND  
*Better Pension • Better Life*

NEWS FROM THE IAM NATIONAL PENSION FUND

# YOUR FUTURE YOUR CHOICE

## National Pension Fund Employer Payroll Audits - Key Findings and Tips for Contributing Employers

It is the policy of the Board of Trustees that every employer who participates in the IAM National Pension Fund will be audited by the Fund's outside CPA firm at least once every five years. The purpose of these routine audits is to ensure that Contributing Employers are making complete, accurate and timely contributions to the Fund for all covered employees as agreed to in their Collective Bargaining Agreements and if applicable, their Standard Contract Language.

While most audits affirm that the employer made the required pension contributions, the auditors occasionally discover deficiencies. Familiarizing yourself with the Collective Bargaining Agreement (CBA), Standard Contract Language (SCL), and any participation agreement and/or other similar documents is the best way to ensure you are making all of the required pension contributions. In addition, Contributing Employers are subject to the terms of the Fund's Trust Agreement, Collection Procedures, and Plan Document.

The table below lists the top five common underpayments our auditors find in the course of their audit fieldwork and a tip about how to avoid such an audit finding when it is your company's time for a routine pension audit.

Common Audit Finding	Tip
A new employee was not reported at the end of a probationary period exclusion	The probationary period exclusion for new hires (if negotiated) is specified in your SCL. If you decide to extend an employee's probationary period, contributions are still due after the number of days specified in your SCL.
An employee in a covered job classification was not reported	Union membership is not the determining factor of your obligation to make pension contributions. If an employee is in a job classification covered by the CBA, then contributions are due regardless of union membership status.
Contributions omitted for hours paid	Contributions are required for all contractually obligated time paid. We recommend familiarizing yourself with the specifics of your SCL and all types of pay the parties agreed are subject to contributions. Do you know your requirement for bereavement pay, jury duty, or how long you need to continue contributions for an employee out of work due to a workplace accident? Your SCL probably has the answers. If you can't find the specific information you need in the SCL, give us a call and we will do our best to help you understand your requirements to contribute.
Vacation time not reported	Unless the parties specifically agreed to exclude pension contributions for vacation pay while an employee is off of work, contributions are due to the Fund for all vacation time paid to all employees covered by your Collective Bargaining Agreement.
Vacation paid out at termination not reported	Many employees receive a lump sum payout for all of their unused vacation time when they stop working for their current employer due to either retirement or termination. Unless specifically negotiated into your SCL, a matching pension contribution is required for all hours paid for vacation pay at termination. These contributions are not subject to any negotiated maximum cap.

## Welcome New Trustees to IAM National Pension Fund Board

**Brian Bryant**, General Vice President of the IAM&AW's General Secretary Treasurer's Department at IAM Headquarters, was appointed to the Board of the IAM National Pension Fund effective June 1, 2016. Brian initiated into the IAM in 1989 and has held many positions in the Eastern Territory including Grand Lodge Representative, Special Representative, and Chief of Staff.

**Steve Jones**, Group Pensions Manager at GKN plc based in Redditch, UK, became an Employer Trustee of the IAM National Pension Fund in April 2016. In his current role, he has oversight of GKN's defined benefit pension arrangements across the Group, which have total liabilities of around £4.5 billion.

Please join us in giving a warm welcome to our newest Board members.

## Negotiating Reduced Contribution Rates or Excluding Participation of New Hires Not Allowed in the National Pension Fund

The Trustees of the IAM National Pension Fund ("the Plan") have not only the authority, but also the fiduciary responsibility to adopt rules and procedures that are in the best interest of the Fund and our participants. One tool that assists with this goal is the Plan's Standard Contract Language.

Standard Contract Language was created to provide a uniform basis for participation in the Plan. Among the requirements for participation are that the contribution rate may not be reduced and that all employees in job classifications covered under the collective bargaining agreement must be covered under the Plan.

The Fund prohibits Contributing Employers from negotiating a reduced contribution rate or excluding the participation of new hires because doing so would adversely affect the actuarial soundness of the Fund. Our aim is to ensure that the Fund remains healthy and strong and continues to grow.

Thank you to these Union Representatives and welcome new Contributing Employers accepted into the IAM National Pension Fund (NPF) and 401(k) Fund this year through June 2016!

Steve Puckett, BR District Lodge 34 APRO International Inc. 27 participants in NPF	Troy Buhl, BR District Lodge W24 United Paradyne Corporation 5 participants in NPF	Roy Collins, BR District Lodge 9 Plaza Automotive Inc. 5 participants eligible for 401(k)	Duane Lukens, ADBR District Lodge 54 American Road Machinery Co. 44 participants in NPF
Mark Utley, BR Local Lodge 701 Chicago Beverage Systems LLC 3 participants in NPF	Daniel Chmelko, DBR District Lodge 1 Eagle Systems and Services, Inc. 11 participants in NPF	Paul Shepherd, DBR Local Lodge 845 M1 Support 73 participants in NPF	Joe Alviar, BR District Lodge 776 Fidelity Technologies Corporation 7 participants in NPF
Jason Fletcher, BR District Lodge 725 IAP Worldwide Services 4 participants in NPF	David W. Brewer, ADBR District Lodge 725 L-3 Communications Vertex Aerospace 6 participants in NPF L-3 Communications, LSD 13 participants in NPF	Robert J. Motisi, BR District Lodge 15 J. Scaramella Trucking Ltd. 1 participant in NPF West Shore Trucking Inc. 7 participants in NPF	Joseph R. Compher, DBR District Lodge 4 Jacobs Technology, Inc. 9 participants in NPF
Michael Bennett, BR District Lodge 60 Ryder Truck Rental, Inc. (4 locations) 64 participants in NPF	Brian Mulhern, BR District Lodge 1 Bowhead Support Group LLC 791 participants in NPF	Melone Langston, ADBR District Lodge W2 Delaware Resource Group of Oklahoma 19 participants in NPF	Donald D. Crosatto, AD District Lodge 190 SSA Terminals 82 participants in NPF

*Your Future Your Choice* is an educational publication of the IAM National Pension Fund. The text of the Plan itself, as interpreted by the Board of Trustees, represents the final authority in all cases. All questions and letters should be sent to the address below, Attn: Editor, *Your Future Your Choice*.

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