

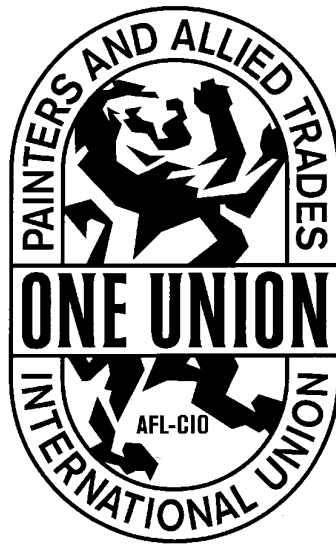
**WESTERN WASHINGTON FLOOR COVERING  
MASTER LABOR AGREEMENT**

between

**WESTERN WASHINGTON INDEPENDENT  
FLOOR COVERING EMPLOYERS**

and

**CARPET, LINOLEUM AND SOFT TILE LAYERS  
LOCAL UNION 1238 / IUPAT DISTRICT COUNCIL 5**



**July 1, 2015 – June 30, 2018**

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## **PREAMBLE**

The purposes of this Agreement are to establish harmonious relations and uniform conditions of employment, a Pension Plan, an Apprenticeship Plan, and a Health & Welfare Plan, between the parties hereto, to promote the settlement of labor disagreements, by consultations and arbitration, to prevent where possible strikes and lockouts, to utilize more fully the facilities of the Apprenticeship Training Program, to promote efficiency and economy in the performance of all work covered by this Agreement, generally to promote the professional installation of resilient floor covering and encourage a spirit of helpful cooperation between the Employer and employee groups to their mutual advantage, and the protection of the investing public.

The Employer and the Union agree to observe the federal and state laws prohibiting discrimination in employment on account of race, color, creed or national origin.

The parties to this Agreement are <**COMPANY NAME**>, hereinafter referred to as the "Employer", and IUPAT District Council 5 / Carpet, Linoleum & Soft Tile Layers Local Union 1238, hereinafter referred to as the "Union". Any independent floor covering Employers who sign this Agreement shall also be party to this Agreement. Any such independent Employers are hereinafter referred to as the "Employer".

Each Western Washington Floor Covering Employer bound by this Agreement is required to notify the Union in writing of any change in ownership and to notify the Union in advance, of the name of the buyer and a statement as to whether the buyer or the seller will be responsible for any accrued benefits to the date of the sale.

## **ARTICLE 1** **RECOGNITION**

**1.1** The Employer hereby recognizes the "Union" as the sole and exclusive bargaining representative, within the meaning of Section 9(a) of the National Labor Relations Act ("the Act"), of all full-time and regular part-time employees employed on all present and future job sites within the jurisdiction of the Union. Such recognition is predicated on the Union's demand for recognition pursuant to Section 9(a) of the Act, and on the Union's presentation of a clear showing that a majority of employees in the bargaining unit are members of the Union and desire the Union to act as their exclusive representative within the meaning of Section 9(a) of the Act. The Employer acknowledges that it has reviewed the Union's showing and agrees that it reflects the employees' desire to be represented by the Union under Section 9(a) of the Act.

**ARTICLE 2**  
**SCOPE OF AGREEMENT**

- 2.1** The term “floor covering”, (bargaining unit work), as used in this Agreement refers to working with, installing, applying, cutting, sewing, taping, or laying of new and old carpet, synthetic turfs, infilled sports turf, linoleum, prefinished glue down and floating hardwood, laminate floors and laminate floor systems, plastic materials, plastic laminates, non-slip or abrasive materials, rubber, cork, carpet, cork tile, oil cloth, mastipave, matting, linen and crash, mastic tile, linoleum tile, and asphalt tile, resilient, decorative seamless surface coatings, (except terrazzo, magnesite and latex built up floors) and all resilient floor coverings (except terrazzo, magnesite and latex built up floors) and all resilient floor coverings, etc. whether in sheets, squares, rolls or interlocked; drilling holes for sockets and pins, linoleum, rubber, cork and carpet on walls and ceilings; fitting devices for the attachment of carpets, linoleum, rubber and all other resilient floor coverings, and fitting of metal edgings, metal corners and caps used in the installation of linoleum, rubber and all resilient floor coverings on floors, walls, sinks, counter, table tops or ceilings or any other place where such materials are used and the preparatory work of the craft for all of the aforesaid, which includes but is not limited to, substrate preparation and the application of all self leveling, trowelable and board underlayments.
- a.** Notwithstanding any provisions of Section 2.1, the Employer may subcontract any work involving substrate preparation and the application of all self leveling, trowelable and board underlayments to a subcontractor that is signatory to a collective bargaining agreement with any other union, or use members of the Operative Plasterers' and Cement Masons' International Association.
- 2.2** It is the mechanic’s responsibility to furnish the following tools and bring the listed tools appropriate to the work scheduled for that day: knee kicker, Jr. stretcher, 4” carpet seam iron, carpet seam roller, straight edge, square, loop pile cutter, cushion back cutter, knives, napping shears, wall trimmer, stair tool, awl, hammer tacker, carpet drive bar, hammer, strip cutter, chalk line, 4” scraper, base shoe lifter, fox-tail brush, topset base gouge, small caulking gun, metal miter, carpet layer’s miter box, hacksaw, tin snips, trowels, Model “A” tile cutter, dividers, scribes, resilient seam roller (hand), propane gas torch, screwdrivers and tape measure.
- 2.3** The mechanic agrees to care for all shop tools as if they were his/her own. Where a reasonable charge-out system is employed, the mechanic is to be responsible for lost equipment.
- 2.4** All other tools and any future specialty tools to be furnished by Employer. Maintenance of these items will not be accomplished on the Employer’s time except when unavoidable.

- 2.5** The Employer agrees to be bound to this Agreement while working in the following counties of Western Washington: Clallam, Grays Harbor, Island, Jefferson, King, Kitsap, Lewis, Mason, Pacific, Pierce, Skagit, Snohomish, Thurston and Whatcom and to be bound by the Floor Covering Collective Bargaining Agreement in effect in any other part of the states of Washington, Oregon and Idaho when working in those areas.
- 2.6** When working outside the counties covered by this Agreement, an employee shall receive the wages, benefits, and conditions most favorable to the employee. All fringe benefits shall be paid into the employees' "home" funds.
- 2.7** The Employer party hereto shall, when engaged in work outside the geographic jurisdiction of the Union party to the Agreement, comply with all of the lawful clauses of the Collective Bargaining Agreement in effect in said other geographic jurisdiction and executed by the Employers of the industry and the affiliated Local Unions in that jurisdiction, including but not limited to, the wages, hours, working conditions, fringe benefits, and procedure for settlement of grievances set forth therein; provided however, that where no affiliated union has a current effective agreement covering such out-of-area work, the Employer shall perform such work in accordance with this Agreement; and provided further that as to employees employed by such Employer from within the geographic jurisdiction of the Union party to this Agreement and who are brought into an outside jurisdiction, such employee shall be entitled to receive the wages and conditions effective in either the home or outside jurisdiction whichever are more favorable to such employees. In situations covered by the last proviso and fringe benefit contributions on behalf of such employees shall be made solely to their home funds in accordance with their governing documents, and the difference between the wage and benefit contributions required by the away funds and the home funds, if any, shall be paid to the employees as additional wages. This provision is enforceable by the Local Union or District Council in whose jurisdiction the work is being performed, both through the procedure for settlement of grievances set forth in its applicable Collective Bargaining Agreement and through the courts and is also enforceable by the Union party to this Agreement, both through the procedure for settlement of grievances set forth in this Agreement and through the courts.
- 2.8** The Contractor or the Employer party to this Agreement, when engaged in work outside the geographical jurisdiction of the Union party to this Agreement, shall employ not less than fifty percent (50%) of the workers employed on such work from among the residents of the area where the work is performed, or from among persons who are employed the greater percentage of this time in such area, any others shall be employed only from the Employer's home area.
- 2.9** It is the mechanics responsibility to attend and maintain current 1<sup>st</sup> Aid/CPR Training, attend a Lead, Asbestos, Silica Awareness course and future State requirements for the scope of work performed by the mechanics as listed in Article 2.1.

- 2.10** There is an expectation by Management and Labor that the mechanic will maintain and advance their skills through approved supplemental training. Individual goals should be at least eight (8) hours a year of supplemental training.
- 2.11** Training differential: A Journeyman who takes a JATC approved training course to gain skills they were deficient in, may, if mutually consented to by both the employee and the Employer, work at a rate between 75% and 100% of the Journey level wage rate for up to two weeks total within a 6 month period while performing the type of work learned. All other work performed will be at the regular Journeyman rate. The Union will be notified in writing before implementing this section.

**ARTICLE 3**  
**PROTECTION OF RIGHTS**

- 3.1** SUBCONTRACTING - The Employer shall perform all or part of the floor coverer's work to be done at each job site. If any floor coverer's work is contracted or subcontracted, it shall be done by floor coverers who are members of the Union and receive wages, hours and other conditions of employment equal to those set forth in this contract.
- 3.2** Subcontracting (3.1) applies to floor covering (bargaining unit) work to be done at the site of the construction, alteration, or repair of a building. These terms are to be interpreted and applied in accordance with the National Labor Relations Act, as amended.
- 3.3** It is the intent of the Employer and the Union to protect all job site work which has been traditionally performed by bargaining unit employees or which is fairly claimable as bargaining unit work. This Article may be reopened for negotiation after one year and any mutually agreed upon changes shall be incorporated into this Article.
- 3.4** If any Employer, subcontractor, independent contractor, owner-operator, sole proprietor, or any other type of business entity enters into a written or oral agreement with the Union and said agreement contains any economic terms more favorable than those set forth herein for performing any floor covering work in King or Snohomish Counties, (see Article 2.1), the Employer may unilaterally implement the agreement with the more favorable economic terms. This shall not apply to "Residential Work" as determined by the Union. The Union will notify all Signatory Employers of any newly signed agreements.
- 3.5** The Union retains all rights except as those rights are limited by the express and specific language of this written Agreement. Nothing anywhere in this Agreement shall be construed to impair the right of the Union to conduct its affairs in all particulars except as expressly and specifically modified by the express and specific language of this written Agreement. It is further agreed that nothing contained in

this Agreement shall be construed as limiting the Union's right to control its internal affairs and discipline its members who have violated the Union's Constitution and Bylaws, or who have violated the terms of this Agreement, or who have crossed or worked behind a primary picket line including but not limited to such a picket line at the Employer's premises or job site where the Employer is engaged in floor covering work. This Article is not intended and shall not be construed to authorize any conduct which is proscribed by the National Labor Relations Act.

- 3.6** Except as specifically limited herein, the Employer shall have the exclusive right to manage its business, to control and supervise all operations and direct all working forces, including but not limited to the right to select and hire, discipline, discharge or lay off, for justifiable cause, promote, transfer or schedule employees, to control and regulate the use of all equipment, materials, tools and other property of the Employer, and to maintain discipline and efficiency among its employees.

#### **ARTICLE 4** **EMPLOYMENT**

- 4.1** All employees of any Employer covered by this Agreement who are members of the Union on the date of execution of this Agreement shall maintain their membership as a condition of employment. All employees who are not members of the Union on the date of the execution of this Agreement and all employees employed after the execution date of this Agreement shall, on and after the eighth (8<sup>th</sup>) day following the date of execution of this Agreement or their initial date of employment, whichever is later, become and remain members of the Union as a condition of employment. In computing the eight (8) day grace period provided in the Article, all employment during the term of this Agreement with an Employer shall be totaled and only one such grace period with that Employer shall be allowed during the term of this Agreement. In the event the Employer is not primarily engaged in the building and construction industry, the applicable time periods set forth in this Article shall be thirty-one (31) rather than eight (8) days.
- 4.2** Any person (other than a bona fide employee of a floor covering firm which is bound by this Agreement) who does any work with the tools of the floor covering trade must maintain good standing Union membership and shall make the payments required by Section 4.3 of this Article (based on 170 hours per month). Any Employer working with the tools of the trade must have one or more Journeymen or Apprentices (as allowed by Apprenticeship standards) with him/her on the job site.
- 4.3** The Employer agrees to deduct from the wages of the employees covered by this Agreement such sums as the Union membership shall direct, as administrative dues and remit such sums to the Union. The Employer's obligation under this section is conditioned upon the receipt of a written authorization from each employee who desires the Employer to so deduct, which authorization shall be irrevocable for a period of one year from the date of this Agreement, and said authorization shall automatically renew itself for annual periods unless the employee gives written

notice to the Employer of his/her intent to revoke such authorization. Such notice must be given sixty (60) days prior to the expiration of the annual date. It is understood that the Union will collect directly the basic dues. It is understood the Employer will be under no obligation to deduct monies from employees who refuse, fail or neglect to give the Employer the above referred to written authorization. A copy of the authorization form will be forwarded to each Employer for his/her permanent records upon his/her request.

#### **4.4 Top Workplace Performance:**

- a.** Should any person referred for employment be terminated for cause, his/her referral privileges shall be suspended for two weeks. Should the same individual be terminated for cause a second time within a twenty-four (24) month period, his/her hiring hall privileges shall be suspended for two months. Should the same individual be terminated for cause a third time within a twenty-four (24) month period, his/her referral privileges shall be suspended indefinitely.
- b.** A termination shall not be considered as “for cause” for purpose of this provision if the person referred for employment has filed a grievance challenging the propriety of his/her termination, unless and until the grievance is resolved in a manner that affirms the termination for cause. For the purpose of this provision, a decision of the District Council Joint Trade Board and/or an arbitrator shall be final and binding.
- c.** The provisions in Sub-sections (a) and (b) notwithstanding, a Termination Review Committee, composed of the members of the District Council Joint Trade Board [or, alternatively, if there is no Joint Board, “composed of two (2) members appointed by the Business Manager/Secretary-Treasurer of the District Council and two (2) members appointed by the Employer Association”] may, upon written request of the applicant, vacate or reduce the period of suspension should the Committee determine, following inquiry or investigation, in its sole and complete discretion, that equity requires such action.



**ARTICLE 5**  
**QUALIFICATIONS & RIGHTS OF PARTIES**

- 5.1 Every Employer shall provide Washington State Industrial Insurance, Unemployment Compensation Insurance, shall be a registered contractor with the State of Washington and comply with all other Washington State Laws and regulations covering specialty contractors. The Union shall have the right to cancel this Agreement if that Employer does not at all times remain in compliance with the terms of this Article.
- 5.2 Each Employer, upon request, shall provide the Union with a copy of their application for contractor registration with the State of Washington, a copy of their State of Washington contractor's bond, a copy of their bond required under the terms of this Agreement and shall advise the Union in writing of their Unemployment Insurance account number and their Industrial Insurance account number.
- 5.3 The Business Agent shall be permitted on all jobs and in shops where employees covered by this Agreement are employed; however, there will be no avoidable delays in production. The Union shall have the authority to appoint a Shop Steward in any shop or on any job. No Steward shall be discharged for the performance of duties pertaining to Union affairs. Stewards shall not have the authority to cause or threaten to cause a work stoppage or slow down. Nor do Stewards have authority to request that an employee be terminated. Any job with more than five (5) employees may have a Steward.

**ARTICLE 6**  
**BONDING**

- 6.1 Each Employer, who has been under contract with the Union for less than five (5) years, agrees to maintain in full force and effect during the life of this Agreement, a bond to be issued by a reputable and established company which contains the terms and conditions set forth in Appendix A to this contract. A copy of this bond must be on file at the Union office.
- 6.2 The Employer, if they wish to do so, may obtain a cash bond which shall satisfy the requirements of this Agreement. In such event, the Employer shall deposit a cash bond with a mutually agreed upon bank in the amount of \$ \_\_\_\_\_ and such cash bond shall be subject to the same terms and conditions as are set for in Appendix A of this Agreement.

**ARTICLE 7**  
**WORKING HOURS AND CONDITIONS**

- 7.1** The regular work week for each employee shall be forty (40) hours, Monday through Friday. A regular work day shall consist of any ten (10) consecutive hours between 5:00 a.m. and 10:00 p.m. It is understood that no more than ten (10) minutes shall be considered appropriate for clean-up time.
- 7.2** All work performed beyond forty (40) hours per week, and Saturday, shall be paid at time and one-half (X 1.5). Sundays and Holidays shall be paid at double time (2X). All work performed beyond ten hours in any work day shall be paid at time and one-half (X 1.5).
- 7.3** Shift Work (premium pay): A fifty percent (50%) premium will be paid over the regular hourly wage scale between the hours of 10:00 p.m. to 5:00 a.m., Monday through Saturday 5:00 a.m.
- 7.4** Employees who are absent from work without prior approval on a scheduled regular workday during the regular workweek may voluntarily elect to work for straight time on the scheduled day-off as a make-up day. In the event that weather or other acts of nature out of the Employer's control prohibit the individual Employer from preceding with work on a scheduled regular workday the employee may voluntarily elect to work for straight time on the scheduled day-off as a make-up day.
- 7.5** Employees shall not be required to work more than two hours overtime inside the agreed upon area without being permitted to go to meals. No employee shall be paid any expenses for meals while working overtime. Time out for meals or rest shall not be paid for by the Employer.
- 7.6** VACATIONS AND HOLIDAYS - All employees will receive seven (7) legal holidays as follows: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, the day after Thanksgiving and Christmas Day. If a holiday falls on Saturday, the previous Friday shall be observed. If a holiday falls on Sunday, the following Monday shall be observed. No work is to be allowed on Labor Day. Holiday pay will be combined with vacation pay and paid as follows:
- 7.7** A mutually agreed upon bank or credit union has been established as the depository into which a sum of six percent (6%) of all wages will be placed to the credit of employees. (Deductions have been computed on both vacation and holidays in Article 8).
- 7.8** Employees may withdraw vacation/holiday funds directly from the designated bank or credit union. A signature card is to be kept at the designated bank or credit union and employees may withdraw funds by going directly to the bank or credit union.

**7.9** SICK TIME/DAYS AND SAFE TIME/DAYS - The parties understand that the Seattle City Council is considering a bill that would add a new chapter to 14.16 of the Seattle Municipal Code requiring Employers with employees in the City of Seattle to provide paid sick time/days and paid safe time/days to their employees. The parties hereby agree that any requirement to provide any leave required by said bill, either in its current or amended form, or by a substitute bill is hereby waived. The waiver is made knowingly by the undersigned Union and the Employer.

**ARTICLE 8**  
**WAGES**

**8.1** All employees, both Journey and Apprentice level, covered by this Agreement shall be paid an hourly wage established by this contract.

**8.2** For the purpose of computing Trust Fund contributions for signatory Employers and vacation payment, the auditor shall compute hours worked on the basis of the higher of the following sums:

- a. The hourly contribution rate set forth in this Agreement multiplied by the hours of work as reflected by the employee’s time cards for the period in question.
- b. The gross compensation paid to a sub-contractor will be divided by the contract hourly rate set forth in Article 8, Section 8.3 which sum in turn, shall be multiplied by the contribution rate set forth in this Agreement.

**8.3** The basic hourly wages including vacation and holiday pay for Journeymen under the Agreement effective on the dates shown will be a follows:

Effective the next full pay period following ratification date of August 10, 2015.

Net Taxable Wage	Employee Deductions			Employer Contributions									
	Dues	Vacation (6%)	MRP	Pension	H&W	JATC	TBD* (STAR)	Scholarship	FTI	Bldg	LMCI	Ind. Fund	Total Pkg
\$28.75	3.8%	\$1.73	\$0.50	\$8.16	\$6.24	\$0.53	\$0.25*	\$0.05	\$0.10	\$0.10	\$0.10	\$0.08	\$44.36

\*The Employers will contribute \$0.25 per hour to create a separate fund, managed jointly with the Union, that will be used to provide rewards, bonuses, and/or prizes for members who invest their time in upgrade training or other qualified events. The Parties further agree that if such a fund is not developed before the expiration of this Agreement, the remaining balance of monies shall be divided, with ½ given to the Industry fund and ½ given to the Union for their allocation of choice and the hourly contribution shall be divided so the wage increases \$0.13 per hour and the package decreases \$.012 per hour.

Effective July 1, 2016, the net wage shall increase by \$1.75 per hour.

Effective July 1, 2017, the net wage shall increase by \$1.75 per hour.

For additional yearly increases, the following formula will be used:

Formula for Future Yearly Increases	
<ul style="list-style-type: none"> <li>• The yearly increases will be based on hours reported worked to the Pension, Health &amp; Welfare (H &amp; W) or JATC Trust, whichever is greater.</li> <li>• Starting at 100,000 hours the increase will be \$0.25 per hour and will be increased an additional \$0.10 per hour at each 10,000 hour increment.</li> <li>• Hours will be based on the prior calendar year (January 1<sup>st</sup> – December 31<sup>st</sup>) and any increases will be implemented on July 1<sup>st</sup> for the duration of this Agreement.</li> <li>• In the event of delinquency in reporting by an Employer, Labor and Management will work together to determine the appropriate hours that should have been reported by the delinquent Employer before the increase date.</li> </ul>	
<b>Example</b>	
100,000 hours = \$0.25	130,000 hours = \$0.55
110,000 hours = \$0.35	140,000 hours = \$0.65
120,000 hours = \$0.45	150,000 hours = \$0.75
	.....and so on

**8.3.1** The Employer agrees to pay maintenance of benefits on the Health and Welfare up to \$0.00 per hour per Agreement year.

**8.3.2** The Employer will deduct \$0.74 per hour from the net wage to fund the Pension Improvement Plan (PIP) for the annual 2016 and 2017 PIP increases. For increases beyond \$0.74 the PIP shall prevail.

**8.3.3** A program shall be offered by the District Council (or Local Union) Apprenticeship Program for advanced or upgraded Journeyperson training for all Journeypersons working under this Agreement. Journeypersons shall be required to take such courses in accordance with the following rules:

**8.3.4** To receive scheduled wage rate increases Journey workers must attend 12 hours of JATC approved training in the prior 12 months. If the training requirement is fulfilled after the date of the wage increase, the wage increase will begin from the time of fulfillment. The completion of the training requirement will bring the employee to the current full Journey level wage, whether or not the training requirements had been fulfilled in previous years.

**8.3.5** Employees must have and maintain a current CPR-First Aid card or be currently enrolled in a CPR-First Aid class acceptable to the Finishing Trades Institute Northwest (FTINW) to be placed on the Union's Out of Work List.

- 8.4** The common practice shall be to pay employees weekly. All wages shall be available at the place of work (jobsite) or shop of employment, together with receipt of check stub showing:
1. All hours worked in that pay period.
  2. All deductions for that pay period.
- 8.5** All employees when ordered and reporting for work must be guaranteed a minimum of two (2) hours' pay in each day. It shall be the duty of the Employer, in the event they have no work for a particular employee or employees the following day, to make reasonable attempt to notify their employees of this the night previous, or to order the employee to call in during working hours to determine work availability for the following day.
- 8.6** If an employee is terminated or is laid off more than one (1) week, the Employer shall pay all monies owing at the next regularly scheduled pay period, such wages as are due and owing at that time. In cases of N.S.F. checks, the Employer shall be liable for any out-of-pocket expenses sustained by the employee.
- 8.7** Employees' time cards from which the payroll is computed will be preserved by the Employer for a period of three (3) years.

**ARTICLE 9**  
**TRAVEL REIMBURSEMENT**

- 9.1** The parties recognized that it is sometimes inconvenient to get to the job location because of varying distances. The Employers are accordingly agreeable to pay transportation allowances as an adjustment for out-of-pocket expenses, so long as such allowances are not construed as any form of compensation for employment. It is agreed and understood that while traveling to and from work, the employees are not within the course and scope of their employment and the relationship of Employer/employee does not commence until the hourly wage commence.
- 9.2** Employees reporting to shop shall be paid travel time to and or from the job. Travel time is straight time.
- 9.3** Employees reporting directly to the job site, using personal vehicles, shall receive daily travel remuneration set forth below, computed from Interstate 5 mile marker 166 (Convention Center) for the following actual road miles calculated by AAA or Microsoft Streets and Trips (or equivalent) for the shortest practical routes. The mileage set forth below is one-way, but the dollar amounts are for roundtrip. For example, a total of \$5.00 will be paid to an employee who must drive a total roundtrip of 72 – 90 miles; a total of \$10.00 will be paid to an employee who must drive a total roundtrip of 92 – 110 miles, and so forth. Mileage will be paid only if an employee is required to drive his/her own car.

Mileage reimbursement:

0 - 35 miles	\$0.00
36 - 45 miles	\$5.00
46 - 55 miles	\$10.00
56 - 65 miles	\$15.00
66 - 75 miles	\$20.00
76 - 100 miles	\$25.00
Over 100 miles	\$30.00

- 9.4 If overnight, all reasonable expenses will be paid by the Employer, e.g., hotel and meals. Receipts will be provided by the employee.
- 9.5 No employee shall be required to haul any materials or tools other than his/her own in his/her personal vehicle as a condition of employment.
- 9.6 The Employer shall be required to pay for each employee all reasonable parking fees, ferry fares, tolls and any other expenses related to transportation.
- 9.7 Employees shall not be permitted to make any unauthorized stops on Employer's time. A maximum of ten (10) minutes clean-up time on any shift shall be allowed.

**ARTICLE 10**  
**SAFETY/SUBSTANCE ABUSE POLICY**

- 10.1 The Employer, the employee and the Union mutually agree to cooperate in complying with the applicable safety standards.
- 10.2 Any employee shall have the right to refuse to perform any work assignment involving actual danger to person or property, after proper notification of the Union by the employee and the Union notifying the Employer, and confirming it in writing.
- 10.3 The Employer, the employee and the Union mutually agree that failure to observe requirements under OSHA and DOSH will be cause for discharge.
- 10.4 Employer agrees to furnish all safety equipment as required by the Washington State Division of Safety.
- 10.5 Drug-Free and Alcohol Free Workplace
  - 10.5.1 The Employer shall have the right to institute, maintain, and require observance of a fair and consistent Drug and Alcohol Policy.

**10.5.2** The parties to this Agreement recognize the need to provide and maintain a drug-free and alcohol free workplace. Each party agrees that it will comply with any customer mandated substance abuse program. Further, all employees shall be bound, as a condition of employment, by the rules and provisions of any substance abuse program, which may include the following types of testing: pre-employment, reasonable suspicion, post-incident and random where allowed by law.

**10.5.3** All such substance abuse programs, rules, or regulations shall be sent to the Union prior to implementation by the Employer.

## **ARTICLE 11 APPRENTICESHIP AND TRAINING**

**11.1** No Apprentice shall be hired by any Employer, signatory to this Agreement, until both the shop and the Apprentice have been approved by the Joint Apprenticeship and Training Committee (JATC). Any Employer employing a Journeyman and approved for training by the JATC shall be entitled to secure Apprentices through the JATC in conformity with the Apprentice ratio, as approved by the Washington State Apprenticeship and Training Council. If an Employer approved credit for previous experience or training, they must submit their credit level in writing to the Apprenticeship office within (7) seven days of enrolling the Apprentice into the Apprenticeship school.

**11.2** The Employer and the Union agree that all Apprentices working in the trade shall attend vocation school established for the training of Apprentices. The Employer and the Union shall be bound by all standards, rules and regulations now in effect or hereinafter adopted by the JATC.

**11.3** All Apprentices failing to attend classes where schools are established at times designated without legitimate excuses (legitimate excuse should be obtained from the JATC Coordinator's office, (206) 762-8332 prior the time of the class) shall be immediately removed from their work by the JATC Coordinator or an authorized representative of the Union and shall not be permitted to return to said work until a hearing has been held before the JATC on Apprenticeship Training and the matter settled to satisfaction of said Committee.

**11.4** All Apprentices sent to jobs shall be accompanied by a Journeyman until said Apprentice has had three and one-half (3½) years experience at the trade, or an equivalent as set forth in the Western Washington Floor Covering Joint Apprenticeship and Training Committee Standards. An Apprentice in their last six (6) months of training sent on a job alone will be paid at the highest Journeyman rate when working alone.

**11.5** Apprentices shall be paid the following percentages of the highest Journeyman's rate:

1 <sup>st</sup> Bracket -	50%	5 <sup>th</sup> Bracket -	80%
2 <sup>nd</sup> Bracket -	60%	6 <sup>th</sup> Bracket -	85%
3 <sup>rd</sup> Bracket -	70%	7 <sup>th</sup> Bracket -	90%
4 <sup>th</sup> Bracket -	75%	8 <sup>th</sup> Bracket -	95%
Thereafter Journeyman rate			

Pension contributions for Apprentices shall be according to the Pension Improvement Plan (PIP).

**11.6** Apprenticeship deductions:

Holiday and Vacation Pay - 6% of hourly rate

Dues Check-off Deduction - same percentage rate as Journeyman

**11.7** Apprentices shall enter into a written agreement with their Employer's, an organization of employees or other responsible agency for a period of not less than four (4) years; all in conformity with the regulations established by the Apprenticeship Council of the State of Washington and adopted by the Joint Apprenticeship and Training Committee.

**11.8** The Employer and the Union agree that in order to maintain excellent craftsmanship in the industry, all employees represented by the Union must continue to upgrade their skills through educational training. The Joint Apprenticeship and Training Committee shall be charged with the responsibility of providing the availability of opportunities for receiving such training of employees.

**11.9** If an Apprentice has been released from the Apprenticeship school due to disciplinary action, the Employer is required to release them from employment after receiving proper notification from the Apprenticeship office. If the Employer does not release the Apprentice from active employment, their status is changed to Journey level and their rate of pay will be as outlined for Journey level, see Article 8 of this Agreement.

**11.10** The Union and Employer agree to amend this Agreement to facilitate the creation of a Pre-Apprentice worker classification if approved by the JATC and subject to mutual approval.

## **ARTICLE 12** **RESPONSIBILITY OF WORKERS**

**12.1** For the purpose of this Agreement, "Faulty Workmanship" means the actual installation of the materials covered under the Agreement in an inferior manner. All complaints of faulty workmanship must be instituted within thirty (30) days of the installation date, on occupied premises and sixty (60) days on new unoccupied premises.



- 12.2** When there is a question as to whether an installation is faulty, a committee from the Union and Management will inspect as soon as possible the installation. If the committee is unable to resolve the question an impartial judge, who shall be an Apprenticeship instructor will resolve the question. His/her decision shall be final and binding. The impartial judge shall be reimbursed for his/her expenses and paid a reasonable fee. Such expenses and fee shall be guaranteed by the Industry Fund.
- 12.3** When faulty workmanship has been established or acknowledged, the mechanic will be responsible for the labor cost of repairing or replacement only. On all multiple mechanic installations, the blame for faulty workmanship must be proven, or the responsibility for repair must be agreed by all parties involved.

**ARTICLE 13**  
**TRUST FUNDS AND ADMINISTRATION**

- 13.1** In addition to wages, each Employer shall make, on behalf of each bargaining unit employee (regardless of Union membership) covered by this Agreement, the following contributions:

<b><u>NAME OF FUND</u></b>	<b><u>RATE OF CONTRIBUTION</u></b>
Resilient Floor Covering Pension Trust Fund*	As established in the PIP
The Painters Trust Health & Welfare Plan	\$6.24 per hour worked per Article 8.3.1
DC5 Painters & Allied Trades Apprenticeship & Training Trust	\$0.53 per hour worked
FTI (Finishing Trades Institute)	\$0.10 per hour worked
JATC Floor Covering Scholarship Fund**	\$0.05 per hour worked
TBD (STAR)***	\$0.25 per hour worked
Allied Trades Training Center	\$0.10 per hour worked
Western Washington Floor Covering Industry Fund****	\$0.08 per hour worked
LMCI (Labor Management Cooperation Initiative)	\$0.10 per hour worked

\*The Employer shall deduct from the net wage up to \$0.74 per hour to fund the annual PIP adjustment for the duration of this Agreement according to Article 8.3.2.

\*\*The Scholarship Fund is to be used to pay the quarterly tuition of Apprentices who are Local 1238 members in good standing enrolled in the Western Washington Floor Covering Joint Apprenticeship and Training Program according to the scholarship fund guidelines. The Scholarship Fund will be reviewed by the Labor/Management Committee (LM) at each LM meeting.

\*\*\*The Employers will contribute \$0.25 per hour to create a separate fund, managed jointly with the Union, that will be used to provide rewards, bonuses, and/or prizes for members who invest their time in upgrade training or other qualified events. The Parties further agree that if such a fund is not developed before the expiration of this Agreement, the remaining balance of monies shall be divided, with ½ given to the Industry fund and ½ given to the Union for their allocation of choice and the hourly contribution shall be divided so the wage increases \$0.13 per hour and the package decreases \$.012 per hour.

\*\*\*\*Employers who do not contribute to the Industry Fund will contribute an additional \$0.08 per hour to the JATC Floor Covering Scholarship Fund.

- 13.2** Such contributions with the required report shall be forwarded to the administrator or a bank, as may be mutually agreed upon. The report and payment must be postmarked by the post office not later than the 15<sup>th</sup> day of the month (or the first working day following, if the 15<sup>th</sup> is a Saturday, Sunday or holiday) following the month in which the hours were worked. If, in the opinion of a CPA employed by the Union, or any of the Trust Funds, the Employer has failed to maintain accurate time records, it shall be conclusively presumed that each employee who performed any service in a given week worked the number of hours produced by applying the computation as provided in Article 8.
- 13.3** It is recognized and acknowledged by all parties, including the participating Employers, that the prompt and accurate payment of contributions is essential to the maintenance of an employee benefit Trust Fund and the benefit plans, and that it would be extremely difficult, if not impossible, to fix the actual expense and damage to the Trust Fund that would result from the failure of a participating Employer to pay the required contributions within the time provided. Therefore, if any participating Employer shall be delinquent in the payment of contributions, such Employer shall be liable, in addition, for liquidated damages of ten percent (10%) of the amount of the contributions which are owed or twenty-five dollars (\$25.00), whichever is greater. In addition, the delinquent contributions shall bear interest at the rate of eight percent (8%) per annum from the due date until they are paid. The Trustees shall have the authority, however, to waive all or part of the liquidated damages or interest for good cause shown. Further, in the event the Trustees place in the hands of legal counsel for collection, the delinquent Employer shall be liable for reasonable attorney fees (with a minimum of \$25.00) and for all reasonable costs incurred in the collection process, including court fees, audit fees, etc. The Trustees shall have the authority, however, to waive all or part of the attorney fees or collection costs for good cause shown. In any event suit is initiated, it is agreed that such suit shall be filed in a court of competent jurisdiction (either state or federal) located in King County, Washington. In addition to the remedies set forth herein, the Union shall be free (notwithstanding any express or implied “no strike” clause in this Agreement) to strike and picket any Employer failing to make any payment of money required by this Article, Article 7 or Article 8, provided, however, that such rights shall not be exercised within the ten (10) day period following the due date of such payments.
- 13.4** By entering into this Agreement, the Employer adopts and agrees to be bound by the terms of the Trust Agreements establishing the Funds referred to in this Article. Further, the Employer designated the Employer Trustees of each Trust as their representative and approves the lawful acts of such Trustees.
- 13.5** The Union, at its option, shall be permitted to divert from wages such sums as may be required to maintain existing fringe benefit levels, in any existing program providing they are approved by the membership of Local Union 1238, at a “Special Called” meeting.

- 13.6** Trust Fund payments are due on the 15<sup>th</sup> day of the month following the month in which the hours were worked. Payments must be made on all compensable hours whether worked by floor coverers hired by the Employer, or by floor coverers working for persons to whom the Employer has contracted or subcontracted work. All such contributions are for the benefit of floor coverers working under this Agreement. It is the Employer's responsibility to maintain an accurate record of compensable hours, to obtain and timely remit, reporting forms. The Employer-Contractor is not obligated to make payments on floor coverer's hours worked for a sub-contractor party to this Agreement.
- 13.7** The Trustees of each of the Trusts shall have the power to require each Employer to furnish such information and reports as they may require in the performance of their duties as Trustees. The Trustees of the Trusts have the right to employ a CPA who shall have the right at reasonable times during business hours, to enter upon the premises of the Employer and to examine and copy such of the books, records, and papers and reports of the Employer relating to the hours and wages of employees as may be required to permit the Trustees to determine whether the Employer is making full payment to the Trusts. A current list of records which the Trust's auditor is authorized to examine in the course of his audit appears as Appendix B of this Agreement.
- 13.8** The CPA employed by the Trustees shall provide the Employer with a copy of his/her instructions at the time he/she requests an appointment with the Employer. The CPA's report shall be in accordance with the policies of the Trustees.
- 13.9** It shall be the Employer's responsibility to obtain appropriate forms for reporting Trust Fund payments.
- 13.10** If an audit conducted pursuant to the terms of the Agreement reveals that the Employer has under paid either wages (including vacation pay and holiday pay) or Trust Fund payments by five percent (5%) or more in any period audited, the Employer shall be required to pay the entire cost of the audit.
- 13.11** Central Collection System - "The Employer, shall, with respect to any and all contributions or other amount that may be due and owing to the IUPAT and its related or affiliated Funds or organizations, including, but not limited to, the IUPAT Industry Pension Plan, the IUPAT Industry Annuity Plan, the IUPAT Finishing Trades Institute (IUPAT-FTI), the Painters and Allied Trades Labor Management Cooperation Initiative, the IUPAT Political Action Together (and any and all other affiliated International organizations as they may be created or established in the future), upon receipt of a written directive to do so by the affiliated Funds and organizations, make all required payments, either directly or through an intermediate body, to the 'Central Collections' Unit of the International Union and its affiliated Funds and organizations. Such contribution shall be submitted on appropriate forms, in such format and with such information as may be agreed to by Central Collections."

- 13.12** The Parties agree that until the pension is funded at 85% or higher, no additional contributions, other than those required by the "Pension Improvement Plan", will be made to the pension plan during the life of this Agreement. Any additional contribution to the pension plan once funded at greater than 85% must be approved by all Parties during the life of the Agreement.

**ARTICLE 14**  
**DISPUTE RESOLUTION**

- 14.1** Except as otherwise provided in this Agreement, all disputes which arise during the term of this Agreement shall be handled under the terms of this Article. If a dispute arises, the Union and the Employer shall attempt to resolve the dispute. Any dispute must be brought to the attention of the other party in writing not more than ten (10) days after the occurrence of the facts leading to the dispute. After a dispute has been considered by the Employer and/or the Union, but a resolution is not achieved, either party may submit the dispute to arbitration by providing written notice to the other side within twenty (20) days after having been notified by the other party that the dispute cannot be resolved. In the event a dispute is referred to arbitration, the decision of the arbitrator shall be final and binding. The arbitrator shall be selected and the arbitration conducted in accordance with the rules and regulations of the Federal Mediation and Conciliation Service, except no post hearing briefs will be filed or considered. The parties shall split the cost of the arbitrator.
- 14.2** It is understood that the arbitrator shall have the right, if requested by the Union to do so, to order an audit by a CPA hired by the Union, of such Employer records as they deem necessary for the Union to adequately process a grievance under this Agreement.
- 14.3** LABOR MANAGEMENT COMMITTEE - A committee comprised of no less than two (2) representatives of the Union and two (2) Employer representatives appointed by the Western Washington Floor Covering Signatory Employers is hereby established to meet monthly for the purpose of considering complaints or suggestions from either party in connection with contract interpretations and/or enforcement, pre-grievance reviews, industry changes requiring changes in the labor Agreement and any other matters which should appropriately be considered by Employer or Union representatives.

**ARTICLE 15**  
**NO STRIKE/NO LOCKOUT**

- 15.1** Employees covered by this Agreement shall have the right to respect any legal primary picket line validly established by any bona fide labor organization, and the Union party to this Agreement has the right to withdraw employees covered by this Agreement whenever the Employer party to the Agreement is involved in a legitimate primary labor dispute with any bona fide labor organization.

- 15.2** Except as otherwise provided in this Agreement, there shall be no strikes or lockouts during the life of this Agreement, provided that the Union reserves the right to call a strike against any Employer if the Union claims that the Employer has failed to pay their employees on the regularly established pay day, wages and fringe benefits which are due them under this Agreement, or to pay their Health and Welfare, Apprenticeship or Pension Plan premiums by the due dates for such premiums established by this Agreement, provided further that this right to strike shall not be applicable where an Employer has a bona fide doubt as to the amount of wages, fringe benefits, or premiums actually due and where they deposit a certified check for the full amount of wages fringe benefits, or premiums claimed to be due by the Union with an escrow agent designated by the Union and Management.
- 15.3** The Employer agrees not to accept any contract for the performance of work covered by this Agreement at any job site which is funded in whole or in part by monies derived from funds created pursuant to Section 302(c)(5) of the Labor Management Relations Act from any entity that is not signatory to a current agreement with the Union. This provision shall not prohibit the Employer from entering into an agreement for the performance of such work with the general contractor.
- 15.4** This section applies only to work performed under a Project Labor Agreement, a project funded with Taft-Hartley Trust money, or any other project where jobsite contractors are required to be signatory to a labor agreement with the Union, and further applied only to work to be performed at the site of the construction, alteration, painting or repair of a building structure, or other work as applied under Section 8(e) of the National Labor Relations Act. On such projects and for work covered by this Agreement, an Employer who is party to or is bound by the terms of this Agreement shall not accept a contract from, or subcontract work to, a firm, person or other business entity that is not a party of or bound by this Agreement. In the event any Employer who is party to or bound by the terms of this Agreement challenges the lawfulness of this section, that Employer and the principle owners and officers of the Employer on a personal liability basis, shall be responsible for all attorney fees and costs of the Union, and any other Signatory Employer, incurred in defending the challenge. In the event any other entity challenges the lawfulness of this section, the Employer's party to this Agreement shall share among themselves on a pro rata basis 50% of the fees and costs of litigation and judgments, if any (the other 50% of the fees and costs to be paid by the Union). The Employers' share of the fees and costs will be divided equally among all Signatory Employers.
- 15.5** All Signatory Labor Shops are to be considered first to provide labor on projects covered under Section 15.4.

**ARTICLE 16**  
**VALIDITY OF AGREEMENT (SAVINGS CLAUSE)**

- 16.1** If any provision or part of this Agreement is held to be invalid by a court of competent jurisdiction the remaining provisions and parts shall remain unaffected and such remaining provisions and parts shall be in full force and effect.
- 16.2** Should any provision or part of this Agreement be declared invalid by a court of competent jurisdiction the Union and the Employer shall promptly meet and negotiate a substitute clause. If such negotiations do not result in an agreed substitute clause, the matter shall be referred to the Labor Management Committee for final decision.
- 16.3** This Agreement is not intended to and shall not be construed to permit acts which violate any valid federal or state law. This Agreement is not intended to nor shall it be construed as creating, recognizing or imposing, on the Union or the Employer, any common law duties.

**ARTICLE 17**  
**MODIFICATION, TERMINATION OR RENEWAL**

- 17.1** Except when re-opened in accordance with the provisions of the Memorandum of Understanding "Pension Improvement Plan", this Agreement shall be in full force and effect from July 1, 2015 until June 30, 2018 and shall automatically renew itself from year to year thereafter unless the Employer or the Union gives written notice of intention to modify the terms of this Agreement or to terminate this Agreement at least sixty (60) days prior to June 30, 2018 or as the case may be, of any subsequent anniversary date. Either the Union or Employer, if such party has given notice of intent to modify this Agreement, may terminate this Agreement by written notice at any time after June 30, 2018.
- 17.2** There shall be renegotiations of Hospital, Medical, Surgical and Dental Plan in the event of enactment of a National Health Care Plan by Congress, with the then current contributions to be used to defray the cost of the then existing benefits.

**WESTERN WASHINGTON FLOOR COVERING MASTER LABOR AGREEMENT  
SIGNATURE PAGE**

SIGNED AND AGREED TO THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20 \_\_\_\_\_.

ON BEHALF OF:

**EMPLOYER:**

**CARPET, LINOLEUM & SOFT TILE  
LAYERS LOCAL UNION 1238 /  
IUPAT DISTRICT COUNCIL 5:**

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Employer Signature

\_\_\_\_\_  
Union Signature

\_\_\_\_\_  
Printed Employer Name & Title

**Todd Pierce / Business Representative**  
\_\_\_\_\_  
Printed Name & Title

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State, Zip Code

\_\_\_\_\_  
Telephone Number / Fax Number

\_\_\_\_\_  
Cell Phone Number

\_\_\_\_\_  
E-mail Address

\_\_\_\_\_  
Industrial Insurance Acct #

\_\_\_\_\_  
Unemployment Insurance Acct #

\_\_\_\_\_  
WA State Contractors Registration #

\_\_\_\_\_  
UBI #

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# APPENDIX A

## CONTRACTORS BOND

Bond No #: \_\_\_\_\_

That (I) (We) \_\_\_\_\_, as principal, and  
(Name of Employer)  
\_\_\_\_\_, a corporation organized and existing  
(Name of Bonding Company)

under the laws of the State of Washington, and authorized to transact surety business in the State of Washington as surety, are held and firmly bound unto Carpet, Linoleum and Soft Tile Layers Local Union 1238 and the Trust Funds (other than the Industry Promotion Fund) established by the Western Washington Floor Covering Agreement (hereinafter referred to as the contract) in the sum of \_\_\_\_\_ lawful money of the United States to be paid to said Local Union 1238, and said Trust Funds, for which payment well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally by these presents.

Sealed with our seals and dated this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH THAT WHEREAS, the said principal has entered into a contract with said Local Union 1238 relating to wages, hours, terms and other conditions of employment which requires said principal to furnish a bond in the penal sum of \_\_\_\_\_ with good and sufficient surety.

Now, therefore, if the said principal shall comply with the provisions of Articles 3, 5 and 12 of said contract then the above obligation shall be null and void; otherwise, to remain in full force and effect; otherwise, to remain in effect. The surety may cancel this bond upon ten (10) days written notice to said Local Union 1238.

One copy must be furnished to Local Union 1238 by the bonding company.

\_\_\_\_\_  
FIRM NAME

\_\_\_\_\_  
(SIGNATURE OF PRINCIPALS)

Countersigned by:

\_\_\_\_\_  
(Bonding Company)

\_\_\_\_\_  
(Authorized Resident Agent)

By \_\_\_\_\_ (Attorney-in-fact)

\_\_\_\_\_  
Address

\_\_\_\_\_

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## **APPENDIX B**

### **AUDITOR'S LIST**

1. Job work tickets or job orders.
2. Time cards.
3. Payroll journals and related worksheets and recap sheets.
4. Checkbooks or registers and canceled checks pertaining to payroll items.
5. Copies of Pension Fund, Health and Welfare Fund and Apprenticeship Fund reports and related worksheets.
6. Payroll tax records including: Federal Tax Form W-3, Reconciliation of Income Tax Withheld from Wages and the related W-2 Forms.
7. Washington State Employment Department Reports - Form SF 5200 Employer Registration Form (Status Report); Form SF 5208, Employer's Tax Report; Form SF 5208 (a) Employer's Quarterly Report of Employees' Wages; Form SF 5208 (a) (1), Employer's Quarterly Wage Detail Report.
8. Washington State Department of Labor and Industries Reports Form SF 7442, Employer's Application to Open or Reopen an Industrial Insurance Account; Form SF 7578 (rev), State of Washington Employer's Quarterly Report of Payroll.
9. Any payroll delinquency or penalty statements related to the above forms.

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## APPENDIX C

### EMPLOYERS AND SELF-EMPLOYED

All Employers and self-employed contractors (aka “owner-operators” or “independent contractors”) will conform to all sections of this Agreement with at least one (1) Journeyman or Apprentice (as allowed by Apprenticeship standards) working on the job with them at all times. Joint Ventures between two subcontractors signatory to this Agreement will not be allowed unless an equal number of hourly employees are maintained on the job site. The purpose of this section is to protect the hourly worker in the floor covering industry.

All Employers and self-employed contractors (aka “owner-operators” or “independent contractors”) who perform floor covering work (see Article 2.1) or otherwise work with the tools of the trade and are signatory to this Agreement will pay on behalf of themselves into the funds listed as follows:

Dues Check-off	170 hours of the current hourly Journeyman Dues Check-off rate.
Market Recovery	As per Article 8.
Apprenticeship Funds	On an hourly basis for actual hours worked at the contractual rate for hourly Journeymen, which includes JATC, FTI, and Scholarship Fund contributions per Article 13.1.
Allied Trades Training Center	\$0.10 per hour worked.
The Painters Trust Health & Welfare	Will pay rate of \$_____ and any subsequent increases or decreases as determined by the Trust.
Resilient Floor Covering Pension Trust	On an hourly basis for actual hours worked or an amount matching the contractual pension contribution rate for hourly Journeymen into the Pension Trust Fund.
LMCI	170 hours @ \$0.10 per hour.
Industry Fund	\$0.08 per hour worked.

SIGNED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20 \_\_\_\_\_.

**EMPLOYER:**

**CARPET, LINOLEUM & SOFT TILE  
LAYERS LOCAL UNION 1238 /  
IUPAT DISTRICT COUNCIL 5:**

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Employer Signature

\_\_\_\_\_  
Printed Employer Name & Title

\_\_\_\_\_  
Union Signature

**Todd Pierce / Business Representative**  
\_\_\_\_\_  
Printed Name & Title

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## **APPENDIX D**

### **USE OF THIRD PARTY INSTALLERS**

The Employer and the Union agree to the following provision which supersedes any provisions to the contrary contained in the Agreement for a period of four (4) years (from July 1, 2011 to June 30, 2015). After four (4) years this Appendix may be continued by mutual consent of the Employer and the Union.

Notwithstanding Article 3, if the Union is unable to provide a qualified floor covering employee to an Employer within forty-eight (48) hours after having been so requested in writing by an Employer, and the Employer has used reasonable efforts to secure the services of Union Signatory Labor Shops, the Employer may obtain the floor covering services of a qualified third party, for no longer than 30 working days or the duration of the job, whichever is shortest, to perform the work. The Union will grant reasonable extensions of the 30 working day period if circumstances dictate. The third party need not be covered by any of the provisions of this Agreement other than all Trust contributions will be made on behalf of all hours worked by installers. The Employer shall not use the services of a nonunion independent contractor who does not have at least one employee on the job site. For the purposes of this Appendix, "qualified" shall be interpreted reasonably by the Employer. If the Employer utilizes a third party under this Appendix, the Employer shall provide the Union with the name(s) and address(es) and the Unified Business Identifier Number (UBI) of the third party, and name and address of job site and start date of the job. Disputes over qualification will be submitted to the Labor Management Committee which may be attended by the Employer in question.

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**MEMORANDUM OF UNDERSTANDING  
PENSION IMPROVEMENT PLAN**

It is hereby agreed by and between the undersigned parties that subject to the terms set forth below, that for the duration of their Collective Bargaining Agreement ("CBA"), they will comply with the contribution schedule attached as Exhibit A. Exhibit A was prepared by the Board of Trustees of the Resilient Floor Coverings Pension Fund (the "Pension Fund").

1. It is the intent of the parties, by entering into this MOU, to satisfy Pension Protection Act of 2006 ("PPA") time requirements for the avoidance of Employer surcharges. The parties have been advised by the Pension Fund's actuary that this contribution rates set forth in Exhibit A and the Plan's benefit factor schedule satisfies the PPA emergence criteria.
2. If the Union membership does not ratify the allocation as set forth in Exhibit A, then the Pension Fund's default schedule as established by the Board of Trustees of the Pension Fund shall apply.
3. The additional contribution of \$0.23/hour set forth on Exhibit A shall be paid by the Employer for the duration of the CBA. Employee pay scales shall be reduced by \$0.11/hour for as long as the Employer is required to pay the \$0.23/hour additional contribution.
4. In the event the \$0.23/hour additional contributions is increased during the life of the CBA, the Employer shall pay for the increase, but the parties agree to immediately re-open the CBA. During the re-opening, the parties agree that they will limit their negotiations to the further reduction of the pay scales by an amount equal to one-half of the increase in the contribution rate. In the event the additional contribution is an odd number, the Employer will pay the additional \$0.01/hour. In the event the Pension Fund decides to decrease the \$0.23/hour contribution rate, the parties agree to immediately re-open the CBA. During the re-opening, the parties agree to limit their negotiations to the increase of the pay scales by an amount equal to one-half of the reduction in the contribution rate. In the event the event the new contribution rate is an odd number, the Employer will pay the additional \$0.01/hour. During the re-opening, the parties agree that there will be no strikes, work stoppages or lock-outs.
5. In the event the Union membership does not ratify the allocation set forth in Exhibit A and the default schedule is imposed, the additional contribution amounts shall be paid by the Employer, but the pay scales set forth in the CBA shall be reduced by an amount equal to one-half the default contribution rate.
6. Any dispute concerning any application or interpretation of this MOU shall be resolved pursuant to the procedures set forth in the current Western Washington Floor Covering Master Labor Agreement.

**MEMORANDUM OF UNDERSTANDING  
PENSION IMPROVEMENT PLAN  
SIGNATURE PAGE**

**EMPLOYER:** \_\_\_\_\_

\_\_\_\_\_  
Employer Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name / Title

**EMPLOYER ASSOC:** \_\_\_\_\_

\_\_\_\_\_  
Employer Association Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name / Title

**CARPET, LINOLEUM & SOFT TILE LAYERS LOCAL UNION 1238 / IUPAT DISTRICT COUNCIL 5:**

\_\_\_\_\_  
Union Signature

\_\_\_\_\_  
Date

**Todd Pierce / Business Representative**

\_\_\_\_\_  
Printed Name / Title

The *Annual Increase in Off-Benefit Rate* increase from \$0.23 to \$0.74 is reflected below in Exhibit A – Pension Relief. This increase begins with Total Year 5 (July 1, 2015) and goes thru Total Year 10.

See Article 8, Section 8.3.2 for the 2016-2017 funding alternative.

**Exhibit A Pension Relief**

	Benefit Rate	Current Off-Benefit Rate	Annual Increases in Off-Benefit Rate	Total Year 1	Total Year 2	Total Year 3	Total Year 4	Total Year 5	Total Year 6	Total Year 7	Total Year 8	Total Year 9	Total Year 10
Journeyman Floor Installer	\$4.40	\$2.10	\$0.23	\$6.73	\$6.96	\$7.19	\$7.42	\$8.16	\$8.39	\$8.62	\$8.85	\$9.08	\$9.08
Apprentice Floor Installer													
1st Bracket – 50%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2 <sup>nd</sup> Bracket – 60%	\$0.16	\$0.84	\$0.23	\$1.23	\$1.46	\$1.69	\$1.92	\$2.66	\$2.89	\$3.12	\$3.35	\$3.58	\$3.58
3 <sup>rd</sup> Bracket – 70%	\$3.65	\$0.84	\$0.23	\$4.72	\$4.95	\$5.18	\$5.41	\$6.15	\$6.38	\$6.61	\$6.84	\$7.07	\$7.07
4 <sup>th</sup> Bracket – 75%	\$3.97	\$0.84	\$0.23	\$5.04	\$5.27	\$5.50	\$5.73	\$6.47	\$6.70	\$6.93	\$7.16	\$7.39	\$7.39
5 <sup>th</sup> Bracket – 80%	\$4.29	\$0.84	\$0.23	\$5.36	\$5.59	\$5.82	\$6.05	\$6.79	\$7.02	\$7.25	\$7.48	\$7.71	\$7.71
6 <sup>th</sup> Bracket – 85%	\$4.61	\$0.84	\$0.23	\$5.68	\$5.91	\$6.14	\$6.37	\$7.11	\$7.34	\$7.57	\$7.80	\$8.03	\$8.03
7 <sup>th</sup> Bracket – 90%	\$4.93	\$0.84	\$0.23	\$6.00	\$6.23	\$6.46	\$6.69	\$7.43	\$7.66	\$7.89	\$8.12	\$8.35	\$8.35
8 <sup>th</sup> Bracket – 95%	\$5.25	\$0.84	\$0.23	\$6.32	\$6.55	\$6.78	\$7.01	\$7.75	\$7.98	\$8.21	\$8.44	\$8.67	\$8.67

This schedule will begin July 1, 2011 (Year 1)

**This alternative provides for the deficit reduction increase required for the Plan to emerge from critical status over ten years, if the contribution increase were applied over 9 years. Although these figures will be reviewed annually, and possibly revised by the actuary, the contribution rates adopted in the Collective Bargaining Agreement will remain in effect for the term of the Collective Bargaining Agreement. When the Collective Bargaining Agreement expires, the parties will need to adopt one of the schedules then in effect.**

*opeiu#8/afl-cio*

**Carpet, Linoleum and Soft Tile Layers Local Union 1238**

6770 E Marginal Way S  
Bldg E, Suite 303-B  
Seattle, Washington 98108  
(206) 957-1892

**IUPAT District Council 5**

6770 E Marginal Way S  
Bldg E, Suite 321  
Seattle, Washington 98108  
(800) 443-9303  
(206) 441-5554

**July 2015**

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