

**Metropolitan Chicago
Security Agreement
Contractors**

Between

And

**Service Employees International Union,
Local 1**

Effective

September 2, 2022

Through

September 1, 2025

AGREEMENT
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AGREEMENT

This Agreement is made and entered into this _____ day of **September** by and between the Service Employees International Union, Local 1, (hereinafter referred to as the "Union") and _____ (hereinafter referred to individually as the "Employer") and its successors, or assigns.

PREAMBLE

The Employer, the Union and the Union members agree that they will endeavor to treat each other with dignity and respect. The Union and the Employers recognize that the single greatest threat to their continued success is the proliferation of non-union competition in the security industry. As such, it is imperative that the Union and the Employer work together to preserve union jobs by supplying clients with the best possible security services. To this end, the Union and the Employer agree to resolve their problems through the procedures provided for in this agreement. Only by cooperation and understanding of each other's needs and the realities of the marketplace, can both the Union and its members and the Employer prosper.

ARTICLE I

RECOGNITION AND UNION SECURITY

Section 1. The Employer recognizes the Union as the sole and exclusive bargaining representative for all full-time and regular part-time security officers including working sergeants, working lieutenants, working captains, working dispatchers and supervisory personnel who are permanently assigned to a customer's sites excluding supervisors who have the authority, in the interest of the Employer, to hire, transfer, suspend, layoff, recall, promote, discharge, assign, reward, or discipline other employees, or have the responsibility to direct them, or to adjust their grievances, or effectively to recommend such action, if in connection with the foregoing the exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment and who do not man a full-time post or work a regular detail of (12) hours or more per week (except in emergency situations) and also excluding security employees in any commercial office building currently covered under the Local 1 Downtown Security.

Agreement bounded by 18th Street, North Avenue, Ashland Avenue, and Lake Michigan but specifically including herein work separately contracted by a tenant.

The jurisdictional area covered by this agreement consisting of the Chicago Metropolitan area which includes Cook County, DuPage County, Lake County, IL, Will County and Lake County, IN (DuPage, Lake and Will Counties in Illinois and Lake County, Indiana will be referred to as the 'Collar' Counties), excluding security employees covered by the Local 1 Downtown Security Agreement, for accounts as defined below:

TIERS

Tier 1: All Commercial Office Buildings ("COB") accounts over 75,000 sq. ft. currently being operated union with Local 1 and Participating Employers Health and Welfare("H&W") in Cook and Collar Counties.

Tier 2: All non-COB accounts currently being operated union with Local 1 and Participating Employers Health and Welfare in Cook and Collar Counties.

Tier 3: All other accounts in Cook County, excluding accounts covered under Tier 4, and other accounts (SEIU International H&W Plan) currently operated as union in Collar Counties.

Tier 4: All accounts currently being operated non-Local 1 (whether serviced by a signatory or non-signatory) in Cook County only and all accounts that fell under Tier 4 as of the effective date of this Agreement. (except new market-rate residential properties in the "Chicago Central area" defined as the area bounded by Roosevelt Road, Lake Michigan, North Avenue and Ashland Avenue brought under the contract after the 9/2/2019).*

Effective September 1, 2022 all market-rate residential properties in the City of Chicago under Tier 4 will move to Tier 3.

Note 1: All accounts currently being operated non-union by a non-signatory outside of Cook County will remain non-union.

Note 2: Appendix 'A' shall be the Employer's exceptions list effective December 2, 2014. No further exceptions shall be granted to an Employer that was signatory as of December 2, 2014. Any new signatory after December 2, 2014 shall not be entitled to name more than two (2) account exceptions under this agreement.

Section 2. A Security Officer is defined as an employee who is required by the State of Illinois to possess a Permanent Employee Registration Card (or Indiana equivalent) excluding office personnel, managers, messengers, and non-billable personnel.

Section 3. The Employer agrees that, upon being awarded any account serviced under a Local 1 Residential ABOMA or Independent Doorstaff Agreement at the time of the award and where the building owner/property manager or building representative is signatory to that Local 1 Residential ABOMA or Independent Doorstaff Agreement, the Employer will continue to honor the standards of the Local 1 Residential ABOMA or Independent Doorstaff agreement for all personnel at that account so long as the building owner/property manager is signatory to said Agreement. If the building owner/property manager is no longer a signatory to the Local 1 Residential ABOMA or Independent Doorstaff Agreement, then the Employer agrees that it will continue to honor the standards of the Local 1 Residential ABOMA or Independent Doorstaff for those personnel who are retained using normal hiring practices.

Any existing residential security/doorstaff sites which are under the standards of this CBA as of December 1, 2019 shall remain under the standards of this CBA.

If an account is a new residential development the Employer shall notify the Union in writing and the Union shall inform the Employer in writing as to the Union status of the new residential development and what CBA standards should be applied at the new residential development. If the SEIU Local 1 ABOMA Doorstaff/Residential Division collective bargaining agreement ("ABOMA Agreement") applies, the site will be covered by this Agreement, except that the Employer shall comply with the economic standards set forth in the ABOMA Agreement, specifically, the standards regarding wages, health & welfare fund, pension fund, training fund, sick pay, holidays, funeral leave and jury duty and vacations. With respect to the provision regarding the pension fund, the Employer shall be covered by the language requiring contributions to the SEIU Local 1 401(k) Savings Plan rather than the SEIU National Industry Pension Fund. Should the language in that section of the ABMOA agreement ever change, the Employer shall have the right to make contributions to its own 401(k) plan in the same amount as the contributions otherwise

required to be made to the SEIU National Industry Pension Fund or any other defined benefit pension plan.

If an Employer is bidding against a non-union security provider for security /doorstaff work in a Residential building, the Employer may bid the account under the standards of this CBA, but shall transition the worksite to the SEIU Local 1 ABOMA Doorstaff standards within eighteen (18) months of the awarding of the bid if the building joins ABOMA for Doorstaff.

Section 4. The term "regular part-time employee" shall mean one who works twelve (12) or more hours per week, but less than thirty (30) hours per week. Benefits provided under "Sick Days" and "Holidays" shall be prorated in the case of a regular part-time employee, based on the relationship which such employee's regular weekly schedule bears to forty (40) hours. In the case of other benefits, the provisions governing these benefits shall control.

Section 5. If a specific location is covered by area standards-wages and benefits-established by the State or the Federal Department of Labor, those terms and conditions if greater than this Agreement, shall supersede those outlined in this Agreement.

ARTICLE II

UNION MEMBERSHIP AND DEDUCTIONS

Section 1. On or after the thirty-first (31st) day following the beginning of employment, or the effective date of this Agreement, or the execution date of this Agreement, whichever is later, every employee subject to the terms of this Agreement shall, as a condition of employment, become and remain a member of the union paying periodic dues and initiation fees uniformly required as a condition of acquiring or retaining membership or, if the employee objects to the payment of that fee, such employee shall as a condition of employment pay that portion of the fee related to representation costs.

Section 2.

The Employer agrees to deduct in the first pay period of each month, from the pay of every employee who has executed and caused to be delivered to the Employer a written assignment, the regular monthly dues and the initiation fee and COPE contributions of the Union, if due and owing, in accordance with the Constitution and Bylaws of the Union. Where the employee, who is on check off, has insufficient earnings during the first pay period of the month, the deductions shall be made by the Employer from the next wage payment in accordance with billings furnished by the Union. With each monthly remittance, the Employer shall transmit the information electronically in a common, commercially-available electronic format specified by the Union by worksite the names, last four social security numbers, wage rate, dues amount remitted, hours worked per week, primary phone, personal email if collected, address, and starting dates of all employees of the Employer covered by this Agreement who performed security services at the worksite during the preceding month.

Effective no later than January 1, 2020, the monthly remittance shall also include a list of employees who have left the employment of the employer (voluntarily or involuntarily) or who are on a leave of absence for the month the report is covering.

Effective no later than January 1, 2020, the parties acknowledge and agree that the term “written assignment” as provided in this Agreement includes authorizations created and maintained by use of electronic records and electronic signatures, including electronically recorded phone calls, consistent with state and federal law. The Union, therefore, may use electronic records to verify Union membership, authorization for voluntary deduction of Union dues and fees from wages for remittance to the Union, and authorization for voluntary deductions from wages for remittance to COPE Funds, subject to the requirements of state and federal law. The Employer shall accept confirmations from the Union that the Union possesses electronic records of such membership and give full force and effect to such authorizations as “authorization” for purposes of this Agreement.

The Employer shall make known to any new hire their obligations under this provision and present such new hire at that time, union membership materials including a membership application and voluntary payroll deduction authorization and, if provided by the Union, a

packet which shall include, but not be limited to, contact information for Union stewards or other representatives as well as information about the health fund and new member orientation meetings conducted by the Union.

Section 3. An employee working at a site in the state of Indiana shall not be required to pay money to the Union, or to become a member of, or continue membership in the Union as a condition of employment.

Section 4. The Union agrees to indemnify and save the Employer harmless from any liability incurred by reason of such deductions.

Section 5. The Employer shall discharge an employee for non-payment of Union initiation fees or dues within ten (10) days after the Employer's receipt of written notice from the Union that such employee is not in good standing. Said notice shall state that the employee has previously been given fifteen (15) days' written notice: (a) of the delinquency, (b) of the amount and method of computation thereof, (c) that the employee is not in good standing with respect to the payment of the Union initiation fees or dues, and (d) that discharge will result at the end of said fifteen (15) day period unless all arrears are paid. The Union will indemnify, defend and hold the Employer harmless against all liability, damages, claims and costs, judgments and attorney fees and expenses, by reason of the Employer's compliance with this Section. The Union reserves the right, at its option and its own expense, to appear and defend all such claims whenever suit is brought against the Employer. Employee protests of discharge for alleged non-payment of initiation fees or dues will not be subject to the grievance procedure or arbitration.

ARTICLE III **MANAGEMENT RIGHTS**

Section 1. Subject to the provisions of this Agreement, the Employer shall have the exclusive right to manage and direct the work-force covered by this Agreement. Among the exclusive rights of management, but not intended as a wholly inclusive list of them are: the right to plan, direct, and control all operations performed at the various locations serviced by the Employer; to direct the working force; to schedule the workforce and to temporarily

or permanently modify the schedules to meet the customer's or Employer's needs, to transfer, change work locations, hire, and promote; to discipline, suspend or discharge for proper cause; to relieve employees from duty because of lack of work or for any other legitimate reason; to cease acting as contractor at any location or cease performing certain functions at any locations, even though employees at the location may be terminated or relieved from duty as a result; to make and enforce reasonable rules and regulations; to introduce new equipment or methods, even though employees at the location may be relieved from duty as a result. In no case will this Article be used for the purpose of discriminating against any employee, nor shall it be used in any manner inconsistent with any of the provisions of this Agreement.

Section 2. The Union recognizes that the Employer provides a service which is important to the customer and that this Agreement should be interpreted so as to give primary consideration to the customer's needs and preferences, provided that the foregoing will not be construed to abrogate any rights under this Agreement. If a customer demands that the Employer remove an employee from further employment at a location, the Employer shall have the right to comply with such demand. Written notice of the employee's misconduct from the customer shall be considered for Employer disciplinary purposes.

However, unless the Employer has proper cause to discharge the employee, the Employer will attempt to place the employee in a job with similar pay and benefit rates at another location where it provides services and which is covered by this Agreement, provided the employee has the knowledge, training, ability, skill, and efficiency to satisfactorily perform the work and no other employee has a superior claim to the job under this Agreement.

Section 3. All rights not otherwise covered under this Agreement remain management rights.

ARTICLE IV

DISCIPLINE AND DISCHARGE

Section 1. No employee will be discharged, suspended, disciplined, or otherwise penalized without just cause. If the Employer believes that an employee's job performance has become unsatisfactory, the Employer will so notify the employee and will document

such notice in the employee's personnel file. The Employer will provide a copy of any such notices or other disciplinary actions to the employee and the Union upon request.

Section 2. No warnings or reprimands shall be considered for the purpose of progressive disciplinary action after twelve (12) months from the date of the warning or reprimand, with the exception of sexual harassment, harassment, work place violence or other serious offense.

Section 3. In addition to those circumstances mentioned elsewhere in this Agreement, just cause circumstances for discharge shall include, but not be limited to: unlawful use or unlawful possession of controlled substances; intoxication; insubordination; theft; excessive absenteeism; sleeping on the job; gross negligence; violence in the workplace; a serious instance of sexual harassment; possession of firearms unless authorized by the Employer; loss of or failure to renew Permanent Employee Registration Card (PERC) or failure to notify the Employer of loss of PERC, provided that the Employer shall permit the Employee thirty (30) days to renew his or her PERC Card, during which time the employee shall not be permitted to work, nor be eligible for back pay or other compensation, and the employee shall be considered to have resigned if the PERC card is not regained within the thirty (30) days. In the event the Employee does get a "replacement PERC card" and/or renews his/her PERC card within the thirty (30) days, the employer shall reinstate the employee with full seniority; all replacement PERC card costs shall be paid by the employee. Accordingly, the provisions of this Section shall be implemented and interpreted by the parties and by an arbitrator in arbitration proceedings so as to give significant consideration to such needs.

ARTICLE V **VACATIONS**

Section 1. A. Employees in Tiers 1, 2, and 3 who have been in the employment of the same employer for one (1) or more years shall receive on the anniversary date of their employment to be paid when taken, paid vacations based upon their base hourly rate of pay on their anniversary date and based upon the following:

- (a) All employees who have been employed by the Employer one (1) year or more shall be granted forty (40) hours vacation with pay.
- (b) All employees who have been employed by the Employer five (5) years or more shall be granted eighty (80) hours vacation with pay.
- (c) All employees who have been employed by the Employer eight (8) years or more shall be granted one hundred twenty (120) hours vacation with pay.
- (d) All employees who have been employed by the Employer ten (10) years or more shall be granted one hundred sixty (160) hours vacation with pay.

B. Full-time employees in Tier 4 with one (1) year of service will receive vacation in accordance with the current Employer policy.

Section 2. Employees who work less than eighteen hundred (1800) hours during their anniversary year shall receive vacation in accordance with the schedule shown in Section 1 of this Article prorated upon the ratio that their actual hours worked during the anniversary year bears to eighteen hundred (1800) hours.

Section 3. Employees shall submit, for approval, their requests for vacation, in writing, at least thirty (30) days prior to the commencement of their requested vacation. The Employer shall have the right to determine the vacation dates. The Employer shall respond, in writing, to all written vacation requests not less than ten (10) working days prior to requested commencement date.

Section 4. The principle of seniority shall be recognized insofar as practicable in assigning vacation dates to employees.

Section 5. An employee who has been in the service of an Employer for more than one (1) year and whose employment is terminated shall receive a pro-rated vacation upon his/her resignation or termination for any cause other than proven theft or admitted criminal acts committed while on duty, abandonment of post, or acts or omissions which lead to serious damage to client property. This shall take into account the employee's accrued vacation, if any, and the period worked since the first anniversary date of employment

compared with the vacation to which the employee would be entitled if the employee worked the entire year.

Section 6. Provided the employee has complied with the Employer's policies relating to vacation scheduling, and requests a vacation payment at that time, vacation payments shall be paid to the employee in accordance with the Employer's policy.

ARTICLE VI

LEAVES OF ABSENCE

Section 1. A leave of absence for a good and sufficient cause such as sickness or injury, maternity, may be granted in the Employer's discretion for a period of up to sixty (60) days upon receipt of a written request from the employee. Any such leave shall be without pay and benefits. The employee may continue coverage under Article IX by making the entire monthly contribution directly to the Fund or the Employer, as the case may be, in a timely manner. During the leave of absence the employee will continue to accrue seniority. An employee who is covered under the FMLA Act shall be granted leave in accordance to the Act.

Section 2. All applicable statutes and valid regulations about reinstatement and employment of veterans shall be observed.

Section 3. A Union leave of absence shall be granted by the Employer for a period not to exceed ninety (90) days upon receipt of a written request from the Union. Any such leave shall be with union benefits and shall not negatively affect seniority. No more than one (1) officer per site shall be released at one time.

ARTICLE VII

GENERAL PROVISIONS

Section 1. An employee called into the office by an exempt employee (salaried employee of the Employer) to discuss employment-related matters which do not result in any disciplinary action up to and including termination will be paid two (2) hours straight time

pay. With regards to National Accounts, the employee shall receive the amount specified in the contract between the Employer and the Client as long as the Employer shows proof of that amount specified. Employees who are required by the Employer (or pursuant to subpoena) to make court appearances as a result of circumstances arising out of the course of their employment with the Employer shall be paid for the time spent in court and, in the event that such appearances occurs on a day when the employee is not scheduled to work, the employee shall receive not less than four (4) hours pay.

Section 2. An employee shall not be held financially responsible for any loss or burglary on the premises where he/she is assigned to work unless guilt is proven by a voluntary confession, a voluntary lie detector test, or a decision of an impartial judge or arbitrator. An employee will not be held responsible for any breakage or damage to equipment or property of the Employer or of the customer except in the event of intentional conduct. This Section shall not limit the Employer's right to discharge or discipline an employee for proper cause.

Section 3. An employee engaged in the performance of security duties who is required by the Employer to pick up and/or return a weapon at a different location than the assigned work location shall receive pay for the time spent traveling from the point of location to the point of return plus reasonable travel expense.

Section 4. Promotions shall be made in accordance with Article XIV, Section 5. An employee promoted to a higher paid classification shall be subject to a probationary period of ninety (90) calendar days, during which time he/she may be returned to his/her former classification without loss of seniority if he/she does not have the knowledge, training, ability, skill, and efficiency to satisfactorily perform the work of the higher paid classification.

Section 5. An employee may wear a Union button not to exceed one inch in diameter on his/her lapel or shirt pocket.

Section 6. An employee assigned to the performance of security duties in a vehicle shall not be required to pay parking ticket fines when such fines are the result of the employee's illegally parking the vehicle because of emergency conditions, provided the employee must report the parking ticket and emergency circumstances to the Employer before the end of the business day of the alleged violation.

Section 7. The fees (State, Federal, or Local) related to registering an employee or of obtaining an employee identification card or fingerprint check and maintenance of same shall be paid by the employee.

Section 8. **Cancelled Accounts:** Should any customer terminate, no new employees shall be hired to work for which the laid-off employees are qualified and available to perform such work.

Section 9. **Seniority for Union Officers:** Union Officers, bargaining representatives, and stewards shall not be laid off during their term of office so long as there is work available which they are competent to perform. The Union will furnish the Employer with a list of employees so affected. This section shall not affect the Employers ability to discharge any employee for just cause.

Section 10. **Grievance Time:** Employees requested by the Employer and the Union to come to the Employer's or Union's office to discuss a grievance shall be paid the cost of transportation that would not otherwise be incurred and a minimum of two (2) hours pay at the employee's hourly straight time rate.

Section 11. **Employment Examinations:** There shall not be any deductions from pay for employment examinations, physical or otherwise, including lie detector tests or any other required expense incurred at time of hire or for maintaining employment except as specified in this Agreement. The Employer may deduct the cost of the drug screening test if the employee leaves or is terminated prior to completing his/her 30th workday.

Section 12. **Extra Work:** Employees will be expected to work overtime in case of emergency or whenever necessary, in the best interests of the company. It is agreed that an employee may not leave his/her assigned post before being properly relieved. Overtime work beyond an employee's standard work week will be authorized by management.

Section 13. **Waiver of Rights:** Employees shall not be required to sign a waiver of any of their rights under this Agreement, without the consent of the Union.

Section 14. **Use of Personal Automobile:** Employees required by the Employer to use their personal automobile on official business of the Employer excluding routine commuting shall receive an allowance of fifty-six (\$0.56) cents per mile. Employees who use their personal automobile for shelter on instructions of the Employer shall receive eight dollars (\$8.00) per eight (8) hour shift and one dollar (\$1.00) for each full hour thereafter on such shift for such car usage.

Section 15. **Social Security:** Effective January 1, 2011 employees receiving social security benefits and those who hereafter may receive such benefits who have five (5) years of service with the Employer shall, if required to take time off because their earnings would otherwise exceed the maximum allowable under Social Security, be reinstated without loss of seniority and at the regular base rate of pay provided (a) the employee is physically able to perform the normal duties of a security officer (b) the employee returns on the agreed upon date (absent an acceptable excuse for not returning on that date) and (c) there is work for which the employee is available. Prior to January 1, 2011 the above applies to employees with three (3) years of service.

Section 16. The Union and the Employer agree to abide by the provisions of the Americans with Disabilities Act.

Section 17. **Jury Duty**

- A) The Employer shall grant leave of absence to employees to perform jury duty.
- B) Such employee will be paid the difference, if any, between his/her jury duty pay

and his/her regular straight time wage rate up to a maximum of five (5) normally scheduled working days. (Reimbursement up to and including five (5) normally scheduled working days shall be payable only if the employee provides evidence that jury duty was performed on the days for which such reimbursement is claimed).

ARTICLE VIII **HOLIDAYS**

Section 1. **A.** All employees in Tiers 1, 2, and 3 covered by this Agreement shall receive double time (2xs) (which includes their regular time) for work performed on the following holidays:

- | | |
|--|----------------------|
| 1.) New Year's Eve | 6.) Independence Day |
| 2.) New Year's Day | 7.) Labor Day |
| 3.) Martin Luther King, Jr.'s Birthday | 8.) Thanksgiving Day |
| 4.) Memorial Day | 9.) Christmas Eve |
| 5.) Juneteenth Holiday | 10.) Christmas Day |

B. Employees in Tier 4 shall receive holiday pay as referenced in Appendix B. Personal Days do not apply to Tier 4 through the duration of the CBA.

Section 2. To qualify for holiday pay an employee must work their last regularly scheduled shift before the holiday and their first regularly scheduled shift following the holiday.

Section 3. Employees who have completed one (1) years of continuous service or more and who do not have any absences or tardiness, as defined by company policy, in the previous anniversary year shall be entitled to one (1) personal day with pay per every anniversary year they qualify. Any absences employees have with regards to benefits as described in this Agreement shall not be considered absences for the purpose of denying this personal day nor shall they count toward time-off for any No-Fault attendance plan. To be eligible for a personal day an employee must request, at least fourteen (14) days in advance of the day he/she wishes to use as his/her personal day, prior Employer approval. Such approval shall not be denied for unjust cause.

Section 4. Employees in Tiers 1, 2, and 3 for whom a holiday falls on their regularly scheduled workday shall receive eight (8) hours of straight time pay for holidays not worked, provided such holiday pay shall be forfeited if (a) they are assigned to work on a holiday and refuse, (b) they fail to show up for an assigned shift on a holiday or (c) they fail to work their last full regularly scheduled shift before the holiday and their first regularly scheduled shift following the holiday.

Section 5. As a pre-condition for holiday pay under Section 2 above, employees must first have telephoned the Employer's dispatch office seven (7) days prior to the holiday identifying themselves by name, to learn if there are work assignments available. Otherwise, the Employer is not obligated to make such payments. Employees may be assigned to a job location other than their regular location on a holiday, but such assignments should be done with regard for the employee's place of residence to avoid refusals to accept holiday assignments. The Employer agrees to send a reminder letter two (2) pay periods prior to each holiday listed in Section 1.

Section 6. Holiday hours shall begin at 12:01 a.m. on the holiday and run through 11:59 p.m. the same date.

Section 7. Employees working less than one-half (1/2) hour of the particular holiday shall not be entitled to premium pay.

Section 8. There shall not be any pyramiding of holidays, vacation and sick days.

ARTICLE IX

Health Insurance

A. SEIU Local 1 and Participating Employers Benefit Trusts (Article I Tier 1 & 2).

Section 1. For the period **September 1, 2022 through June 30, 2023** the Employer shall contribute to the **SEIU Local 1 and Participating Employers Benefit Trusts** on behalf of each employee covered by this Agreement who regularly work thirty (30) hours or

more per week the amount of **\$807.73** per month. Employers contributions shall be prorated for those months in which employees started working, cease their employment and or remain on a medical leave of absence for periods specified in Article VI Section 1 and Section A5 of this Article respectively.

Section 2. For the period **July 1, 2023 through June 30, 2024** the Employer shall contribute to the **SEIU Local 1 and Participating Employers Benefit Trusts** on behalf of each employee covered by this Agreement who regularly work thirty (30) hours or more per week the amount of **\$816.40** per month. Employers contributions shall be prorated for those months in which employees started working, cease their employment and or remain on a medical leave of absence for periods specified in Article VI Section 1 and Section A5 of this Article respectively.

Section 3. Effective **July 1, 2024** and for the remaining duration of this Agreement the Employer shall contribute to the **SEIU Local 1 and Participating Employers Benefit Trusts** on behalf of the employees covered by this Agreement who work thirty (30) or more hours per week the amount of **(\$816.40 plus no greater than 8% per month)**. Employers contributions shall be prorated for those months in which employees started working, cease their employment and or remain on a medical leave of absence for periods specified in Article VI, Section 1 and Section A5 of this Article respectively.

Section 4. The Employer adopts the provisions of and agrees to comply with and be bound by the Trust Agreement establishing the **SEIU Local 1 and Participating Employers Benefit Trusts** and all amendments thereto, and hereby irrevocably designates as its representatives the Trustees named as employer Trustees in said Agreement, together with their successors selected in the manner therein provided, and further ratifies and approves all matters heretofore done in connection with the creation and administration of said Trust and all actions to be taken by such Trustees within the scope of their authority.

Section 5. Welfare Fund payments shall be continued on eligible employees when said employees are on medical leave of absence up to the periods provided for in Article VI

Section 1 or beyond that period for special reasons agreed to be the Employer and the Union. Beyond that time, the Welfare Fund payment shall be made for and on behalf of the temporary, extra, substitute, floater or vacation replacement employee, but in no event shall contributions be made for both the eligible employee and the temporary, substitute, floater or vacation replacement employee.

Section 6. The Employer shall make remittances to the Welfare Fund on or before the fifteenth (15th) calendar day of the month following the month in which the work was performed.

Section 7. With each report to the Welfare Fund, the Employer shall give the names, Social Security numbers and starting dates of new, regular employees and the termination date of regular employees.

Section 8. Payments to the Welfare Fund shall be made on the prelisted remittance forms sent by the Fund Office, or reproduced records which give all required information in a form acceptable to the Fund. Failure to submit the required information in a form acceptable to the Fund will result in the Employer to be deemed delinquent.

Section 9. At any time on or after **December 1, 2016**, should the Union or the Employer receive notice that the Health Fund's plan of benefits or the eligibility standards stated in this Agreement (1) fail to meet the requirements of any applicable law or regulation, or (2) cause the Employer to become subject to a penalty, fine or other assessable payment under ACA or any related law or regulation ("noncompliance"), the party receiving notice of such noncompliance shall provide a copy of such notice to the other party within 15 days. Within the next 15 day period the parties shall meet to discuss a resolution to cure the noncompliance. If the meeting and bargaining do not result in an agreement to cure the noncompliance within 30 days of either party first receiving notice of noncompliance, the Employer may provide written notice to the Union that it is withdrawing from the Fund and the parties shall continue to meet to bargain over health coverage, provided that the no-strike provisions contained in Article XVII of this Agreement shall cease to apply upon the date on which the Employer provides written notice that it is withdrawing from the Fund.

B. Tier 3

Health and Welfare Effective September 2, 2022: As of **September 2, 2022:**, the Employer shall have its qualifying employees be a part of the SEIU (International) Health and Welfare Trust Fund (the "Fund"). Employees shall be eligible for health insurance on the first day of the month after their 60th day of work. In connection with the aforementioned plan's implementation, Employee eligibility shall be limited to "full-time employees" as that term is defined by the Affordable Care Act. The Employer shall not offer any other plan but the SEIU (International) Health and Welfare Trust Fund Health insurance plan.

A. As a condition of receiving health insurance coverage under this Article, employees shall sign appropriate documentation authorizing the Company to deduct such contributions from wages. Any employee not signing the appropriate authorization document shall not be eligible for coverage as provided herein.

B. The Fund will provide the Company with enrollment packages and enrollment forms, and the Company shall distribute enrollment packages and an enrollment form permitting the Company to withhold a portion of an enrolling employee's pay at least 30 days before the employee would be eligible for health care coverage. The Company shall collect completed enrollment packages and enrollment forms from employees and forward the completed enrollment packages and enrollment forms within fifteen (15) business days of receipt from the employee.

C. The monthly cost for the employee shall be:

Effective January 1, 2022, the Monthly Employee co-pay will be \$100.00 per month

** Employees shall be eligible for Employee plus Dependent coverage, but any additional costs for Dependent coverage above the Employer contribution in Part C above shall be borne by the Employee.

D. Employer costs (less any employee share of premium outlined in Section (C) above) shall be:

- Effective, **September 1, 2022** - Employee only coverage for Health Plan through UHS administered through SEIU Int'l Health Fund – cost of **\$520.54** per month.
- Effective, **January 1, 2023** - Employee only coverage for Health Plan through UHS administered through SEIU Int'l Health Fund – cost of **\$520.54 plus no greater than 8%** per month.
- Effective, **January 1, 2024** - Employee only coverage for Health Plan through UHS administered through SEIU Int'l Health Fund – **2023 rate plus no greater than 8% per month.**
- Effective, **January 1, 2025** - Employee only coverage for Health Plan through UHS administered through SEIU Int'l Health Fund – **2024 rate plus no greater than 8% per month.**

E. The Company shall execute a standard Participation Agreement with SEIU International Health and Welfare trust before the Employer becomes signatory to the Agreement after **September 1, 2019**, thereby binding the Company to the terms of the SEIU Health and Welfare trust Agreement.

F. Should the health insurance provisions contained in the Agreement and/or the SEIU Health and Welfare Trust's benefit design: (1) Fail to meet the requirements of any applicable law or regulation, or (2) cause the Company to become subject to a penalty, fine or other assessable payment under Patient Protection and Affordable Care Act or any related law or regulation, the Company's obligation to the SEIU Health and Welfare Trust will immediately cease. The Union and the Company will meet to bargain over an alternative plan with the same rates of contribution and that does not otherwise increase the total cost to the employer. In such event, the No Strike provision contained in Article XVII of this Agreement shall apply.

G. Upon request by the Company, the Fund shall provide the Company on a monthly basis with a csv file containing the Company's enrolled employees by name, employee identification number, plan identification number, contribution amount and effective date, and accept payments from the Company by electronic means, including ACH or EFT.

C. Tier 4

The Employer shall have its qualifying employees be a part of the SEIU (International)

Health and Welfare Trust Fund (the "Fund"). (under the same terms above for Tier 3, except for "C").

Effective January 1, 2022, the Monthly Employee co-pay will be \$110.00 per month

Nothing herein shall limit the right of the Company to make any and all changes it deems necessary at its sole discretion to ensure the insurance it provides pursuant to this Agreement complies with the Affordable Care Act, and other state, federal or local insurance and/or health care reform legislation, to avoid being subject to fees (including but not limited to the employer shared responsibility assessable payment), fines, taxes or penalties, including, but not limited to, taxes/fees because employees are eligible to obtain subsidized or discounted insurance through an insurance exchange; or to avoid the coverage being subject to "Cadillac" taxes (a.k.a. the excise tax on high cost employer-sponsored health coverage). Prior to implementing any such change, the Company will notify the Union and, if the change has a negative impact on the employees, then the Company will bargain with the Union over the effects of the change.

ARTICLE X **PENSION**

Section 1. For the term of this Agreement the Employer agrees to participate in the SEIU National Industry Pension Fund and shall contribute, on behalf of each eligible employee, at the rate of fifteen (\$0.15) cents per hour for all employees covered by the Agreement as expressed in Section 2 and 3 of this Article.

In the event the Employer is faced with withdrawal liability either by the National Industry Pension Fund (NIPF) or by a decision of the Employer, then the Employer will implement a company sponsored 401(k) plan under the terms in section 7 of this article.

Section 2. Effective January 1, 2011 the employee must be employed by the Employer for one (1) year at a site covered by this Agreement. Upon reaching the first (1st) anniversary date of their employment at a covered site, contributions will be made on their behalf by the Employer to the Fund. The Employer agrees to contribute from date of hire for new employees who have previously participated in the National Industry Pension Fund

and were previously employed by another Local 1 SEIU Security contract Signatory at the time of hire by the Employer.

Section 3. Effective January 1, 2012 the Employer agrees to contribute at the rate of fifteen (\$0.15) cents per hour for all employees covered by the Agreement and who have completed their ninety (90) day probation period as expressed in Article XIV, Section 3.

Section 4. The Employer hereby agrees to be bound by provisions of the Agreement and Declaration of Trust establishing the Fund, as it may from time to time be amended, and by all resolutions and rules adopted by the Trustees pursuant to the powers delegated to them by that agreement and which are consistent with this Agreement, including collection policies, receipt of which is hereby acknowledged. The Employer hereby designates the Employer members of the Fund's Board of Trustees, or their duly selected successor(s), as its representatives on the Board.

Section 5. Contributions required by this provision shall be paid to the Fund on or before the fifteenth (15th) day of the month following the period for which contributions are due.

Section 6. The Employer will pay for every hour worked and all hours paid for each eligible employee.

Section 7. The Company will offer a contributory 401K Plan for employees who have successfully completed six (6) months of service and are at least 18 years of age. The minimum Company plan shall match ten percent (10%) on the first three (3%) of plan compensation deferred as salary reduction contributions. Employees are subject to the provisions, rules, and regulations of the plan. The specific provisions of the plan shall be contained in the plan description. 100% vested after 3 years of employment.

If the provider of the company sponsored 401(k) plan changes the plan design, the company and the union will meet to discuss the effects of the change.

If the company does not choose to withdraw from the union pension, then the company will honor the terms as outlined previously in this article.

Section 8. Based on the terms of the SEIU National Industry Pension Fund (NIPF) rehabilitation plan issued by the trustees on November 25, 2009, the Employer is required to make a supplemental contribution to the NIPF over and above the regular contribution described in Section 1 of this Article. The Employer shall pick from the NIPF Preferred or Default plan to determine the supplemental contribution amount. If the Employer does not elect which plan they desire, the NIPF will automatically enroll the Employer into the Default Plan.

ARTICLE XI **HEALTH AND WELFARE, AND PENSION DELINQUENCIES**

Section 1. Delinquencies, Interest and Liquidated Damages. If the Trustees do not receive the full amount of the Employer's required Welfare Fund and Pension Trust and the accompanying remittance form by the dates set forth in Article IX, Section A5 and Article X with respect to which contributions are due, the Employer will be required to pay, in addition to the amount of such contribution, interest and liquidated damages at the rates specified in the Trust Agreements on the unpaid amount, as well as accountants' and attorneys' fees and court costs, if any, incurred in effecting collection. The Employer acknowledges receipt of the Trust Agreements and represents to the Union and the Funds that it has read the interest and liquidated damages provisions.

Section 2. Collection Policy. Participating Employers acknowledge that the Trustees of the Funds have the Fiduciary obligation under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") to ensure prompt collection of Employer contributions and the resolution of delinquencies through the use of payroll audits and other enforcement procedures. Accordingly, the Employer hereby irrevocably designates as its representatives the Trustees named Employer Trustees of the Funds and their successors in connection with the adoption, amendment and administration of a collection policy setting forth payroll audit and collection procedures in accordance with the terms and conditions of

ERISA prohibited transaction class exemption 76-1. Employer hereby consents to and agrees to be bound by the provisions of such collection policy, as amended, as though fully set forth in this Agreement. A copy of the current collection policy as adopted by the Trustees is attached to this Agreement.

Section 3. Tier 1, 2, 3 and 4 for Health & Welfare and ALL Tiers for NIPF (Pension)

If an Employer signatory to this agreement gets designated for an audit by the Funds (SEIU International H&W, Local 25 H&W or NIPF) which is further back than one (1) year in perspective, the Employer shall notify the Union to request a meeting regarding the audit in order to address any concerns of the Employer. The parties agree to meet within thirty (30) days.

ARTICLE XII
UNION VISITATION AND INSPECTION

Section 1. The Employer agrees that full-time paid representatives of the Union shall have the right at reasonable times upon reasonable advanced notice and with the Employer's permission to interview employees of the Employer upon the Employer's premises in the event that matters concerning such employee's working conditions or Union membership shall require such action. Employees so interviewed shall receive no reimbursement or pay from the Employer for time spent for such interviews.

Section 2. The Union's agents or representatives shall not go upon an Employer's client's property or premises without prior permission by the Employer, which shall not be denied without reasonable cause. The Employer will inform the union of the reason, if one is provided. If the Union is denied access to a worksite, the Employer shall work with the Union to communicate to the employees whatever alternative place the Union arranges for the employees to attend a voluntary meeting with the Union off the clock and away from the worksite.

Section 3. In order to determine the Employer's compliance with the provisions of this Agreement, the Union may, at reasonable times and upon prior request to the Employer, inspect records of covered employees relating to wages, hours of work, vacation benefits,

sick leave benefits, dues deductions, Health Fund monies and Pension contributions. The Union shall give two (2) weeks notice to the Employer of the intent to spend time at the Employer's office to review the following documents: complete copies of Employer's last two (2) payroll periods, most recent quarterly remittance of the Illinois Report of Wages paid to each worker, and UC3-40 forms and continuation sheet (and, or the Indiana equivalent payroll form).

Section 4. The Employer agrees to supply and maintain a bulletin board for the use of the Union. The Union shall submit all material to be placed on the bulletin board to the Employer for prior approval. This approval shall be granted forthwith and shall not be denied unless the material is of a political or controversial nature or reflects adversely upon the Employer.

ARTICLE XIII **GRIEVANCE AND ARBITRATION PROCEDURE**

Section 1. For the purpose of this Agreement, a grievance is defined as a dispute between the Employer and an employee regarding the application of the Employer's rules and regulations or the meaning or application of any provision of this Agreement, but not involving any change in or addition to such provisions, which is reduced to writing and filed for processing through the Grievance Procedure.

Section 2. Employees may consult directly with their supervisors on a matter which does not necessarily constitute a grievance. In any case where employees are not satisfied with respect to the disposition of a matter regarding the meaning or application or any provision of this Agreement, on which such employee has informally consulted with supervision, or where their supervisor was not available for such consultation within a reasonable period of time, they may submit their complaint as a grievance.

Section 3. Any matter not resolved in the foregoing manner shall be submitted to the following grievance procedure:

STEP 1: A written statement of grievance must be furnished to the Employer's Branch Manager or his/her designee, within thirty (30) days following the occurrence of the subject

matter of the grievance. The Branch Manager or his /her designee shall be required to answer the grievance in writing within fifteen (15) days of the receipt of the grievance.

STEP 2: If the grievance is not settled in Step 1 or if it is not answered on a timely basis by the Branch Manager, or his/her designee, the written grievance shall be filed with the Employer's Area Vice President or his/her designee, within fifteen (15) days of the date of the first step answer, or the date such answer was due, and a meeting shall be scheduled between the Area Vice President, or his/her designee, and a representative of the Union. The Area Vice President or his/her designee shall answer the grievance in writing within fifteen (15) days thereafter.

STEP 3: If the grievance is not settled in Step 2 or if it is not answered in a timely manner, then the Union may appeal the grievance to the Employers Regional Vice President of Human Resources, or his/her designee and a meeting shall be scheduled between the Regional Vice President, or his/her designee, a representative of the Union and the grievant. The Regional Vice President shall answer the grievance in writing within fifteen (15) days thereafter. This Step may be waived if both parties agree.

STEP 4: If the grievance is not settled in Step 3 or is not answered in a timely manner, the Union may appeal the grievance to an impartial arbitrator by giving written notice of its desire to arbitrate to the Employer within ten (10) working days of the Step 3 answer, or the date such answer was due.

Section 4. If the grievance is appealed to arbitration, representatives of the Employer involved and the Union shall meet to select an arbitrator. If the parties are unable to agree on an arbitrator within ten (10) working days after the Union has served its written notice upon the Employer, the parties shall jointly request the Federal Mediation and Conciliation Service to submit a list of seven (7) arbitrators. All arbitrators on the list must be members of the National Academy of Arbitrators Association. The Union shall strike the first name from the list and the Employer shall then strike one (1) name and thereafter the parties shall strike alternately. The person whose name remains shall be the arbitrator, provided that either party, before striking any names, shall have the right to reject one (1) panel of arbitrators. The arbitrator shall be notified of his selection by a joint letter from the Employer and the Union requesting that he set a time and place for the hearing, subject to

availability of the Employer and Union representatives, and the letter shall specify the issue to be presented to the arbitrator.

The award of the arbitrator shall be final and binding on the Employer, the Union, and the employee or employees involved. The expense of the arbitrator, and the incidental expenses mutually agreed to, shall be shared equally by the Employer and the Union. The impartial arbitrator shall not have the right to amend, modify, nullify, ignore, or add to the provisions of this Agreement. They shall consider and decide only the particular issue presented to them in writing by the Employer and the Union, and their decision and award shall be based solely upon their interpretation of the meaning or application of the terms of this Agreement to the facts of the grievance presented.

Section 5. The willful failure of either party to appear before the arbitrator will not serve to invalidate the proceedings nor will the willful failure of either party to present his case at the time of the hearing serve to delay the hearing or invalidate the decision of the arbitrator.

Section 6. The Employer shall have the right to initiate grievances at Step 3 and those grievances must be submitted in writing to the Union within fifteen (15) business days after the Employer knew or should have known of the incident or occurrence giving rise to the grievance.

Section 7. The Union and the Employer intend that the grievance and arbitration provisions in the Collective Bargaining Agreement shall be the exclusive method of resolving all disputes between the Employer and the Union and the employees covered by this agreement unless otherwise set forth or required under applicable law. Such disputes include "wage and hour claims or disputes," which shall include statutory claims over the payment of wages for all time worked, uniform maintenance, training time, rest and meal periods, overtime pay, vacation pay, and all other wage hour related matters. The parties agree that any employee's or employees' wage and hour claims or disputes relative to a violation of wage and hour law shall be resolved through the arbitration process provided for in this Agreement to the extent permitted by law and the employees (by and through the

union) shall have access to the arbitration provision in this Agreement for the purpose of resolving any wage and hour claims or disputes.

Section 8. Regarding wage and hour claims or disputes:

a. The Union has the exclusive right to assert collective or class action grievances or grievances on behalf of more than one employee. All such grievances shall be initiated and processed in accordance with the standard provisions of the grievance and arbitration procedure, including the standard deadline by which such grievances must be initiated. The employees (by and through the union) shall be provided all substantive rights and remedies available under applicable law including the applicable statute of limitations.

b. Where the Union chooses not to assert a grievance under Section (a) above, an employee may assert claims or disputes to the department of labor or through a civil action on behalf of himself or herself individually concerning a wage and hour claim or dispute and the employee shall be provided all substantive rights and remedies that they would otherwise be entitled to under applicable law. As set forth in paragraph 8a an individual cannot pursue class and/or collective wage and hour claims or disputes to the department of labor or through civil litigation.

Section 9. These provisions are not intended to limit or curtail employees' individual rights. To the contrary, it is the goal of the Company to swiftly and fairly address and resolve employee concerns. In no event shall this Article or this agreement be read to construe a waiver of individual rights to pursue discrimination claims through administrative proceedings or civil actions.

Section 10. The employer and the union agree to work swiftly and cooperatively to resolve and remediate, if necessary, any disputes that arise.

ARTICLE XIV **SENIORITY**

Section 1. Seniority shall be defined as an employee's length of service as an employee of the Employer from his most recent date of hire.

Section 2. **Seniority Lists:** The Employer shall maintain at its office a seniority list showing employee's date of hire. Seniority lists shall be current as of March 1st and September 1st of each year and shall be furnished to the Union upon request electronically in a common, commercially-available electronic format specified by the Union. Seniority list shall consist of name, [worksite](#), home address, phone number on file, last four numbers of social security number or other unique identifying number, date of hire and pay rate. When a verified bid is out and the Union requests information from the incumbent Employer, the Employer shall supply the relevant information to the bid process to the Union in a timely manner.

Section 3. An employee shall not have seniority during the first ninety (90) days of employment, which shall be considered a probationary period. During this period, the Employer may discharge the employee who shall have no recourse to the grievance procedure. Upon completion of the probationary period, an employee's seniority will begin at the original date of hire. At the Employers request and with approval from the Union the Employer may extend this probation up to thirty (30) days.

Section 4. Seniority will be broken by any of the following events:

- A. Resignation, retirement, or other voluntary termination;
- B. Discharge for cause;
- C. Transfer or promotion to a supervisory job or another job not in the bargaining unit;
- D. Layoff for more than six (6) months;
- E. Inactive employment for any other reason for a period of one (1) year or the length of seniority, whichever is less;
- F. Failure to report within ten (10) days from the date a recall notice is mailed to the employee's last address shown on the Employer's records; and
- G. After sixty (60) days leave of absence unless extension is granted.

Section 5. In promoting, laying-off and recalling employees, the Employer shall consider the following factors:

- A. Length of continuous service.

- B. Knowledge, training, ability, skill, and efficiency to satisfactorily perform the work.
- C. When the factors set forth in (B) are relatively equal as between two or more employees who are being considered for promotion, layoff or recall, seniority will govern.

Employees who have completed their probationary periods and who are interested in filling different positions must identify to the Employer, in writing, those positions for which they wish to be considered in the event a vacancy occurs. For any vacancy not filled pursuant to the foregoing procedure stated above, the Employer shall give consideration to qualified replacement employees who are then working in the Employer's building before hiring new employees to fill the vacancy,

Section 6. An employee who is laid off shall not be permitted to bump a less senior employee at another location/site but shall be permitted to exercise his/her seniority to obtain a vacant position at another location/site, in accordance with Section 5. If there is no vacant position at another location/site, the employee shall be permitted to exercise his/her seniority for a position which becomes available, in accordance with Section 5. Regular full-time employees who are laid off will be offered part-time or temporary assignments at their current assignment if and when available and provided the employee is willing, able, and qualified to perform the part-time or temporary work. This shall not be used as an effort to reduce the security force in a way to reduce the benefits at the site.

Section 7. Bidding Information: When an Employer signatory to this Agreement presents written proof (electronically or otherwise) to the Union that it was invited by the client to bid to provide security services at a location covered by this Agreement, the Union may request and, in response, the incumbent contractor shall provide electronically the following information.

1. Name of officers
2. Date of hires
3. Wages
4. Hours

ARTICLE XV

REPRESENTATION

Section 1. It is agreed that only the below-designated officers and agents of the Union, either individually or collectively, are the authorized officers and agents of the Union and shall be the only ones to be recognized by the Employer as being authorized to act for or in behalf of the Union in any manner whatsoever under the terms of this Agreement. The actions, declarations, or conduct of any person except those herein named, whether performed or made with respect to the Union or not, are not and shall not be considered to be the acts of any officer or agent of the Union, nor will the Employer or the Union recognize those persons as the Union's officers and agents for that purpose and their actions in that respect shall not be binding upon the Union nor shall they form the basis for liability of any nature whatsoever on the part of the Union or the Employer. The authorized officers and agents are the Union's President, its Secretary/Treasurer, and all other representatives designated to the Employer in writing as representing the Union in connection with matters relating to the employees hereunder.

The Union may from time to time amend its listing of authorized officers and agents by sending notice to the Employer through certified mail, return receipt requested.

Section 2. It is agreed that the foregoing are the sole and exclusive agents for the Union and they shall exercise only the authority prescribed and defined herein. Any other authorization heretofore given to them by custom, action or otherwise for any other purpose, is hereby withdrawn and declared null and void. Any other authority of such agents, except as provided for herein, shall be certified to the Employer in writing, and signed by the President or Business Agent of the Union.

Section 3. Union Stewards shall have authority only to investigate and process grievances arising under the terms of this Agreement in accordance with the procedures set forth in the Agreement. The Union will, by certified letter, notify the Employer of the Union Stewards so authorized to represent the Union.

Section 4. Upon request by the Union, the Employer and Union shall meet semi-annually at a mutual time and place for a Labor-Management Meeting to discuss issues of concern to either party. The parties shall be represented by management representatives of the Employer and Local 1. Agendas of issues to be discussed for each meeting shall be shared with the other party at least forty eight (48) hours prior to each meeting.

Section 5. The employer shall notify the Union whenever an account which falls under the jurisdiction of this agreement is lost. The Employer shall notify the Union at least 14 calendar days prior to termination of the account or whenever the Employer is notified if Employer is given less than 14 calendar days’ notice from client. Employers shall also notify the Union when the Employer is awarded an account which falls under the jurisdiction of this agreement. The Employer shall notify the Union within 14 calendar days after the start of the new contract and let the Union know the site name and address, confirm which Tier it is being operated under and a list of the Officers at the site.

**ARTICLE XVI
WAGES**

Section 1. All employees of the Employer will be paid in accordance with the following wage scale on the effective dates indicated below:

Minimums:

	City of Chicago				Cook County				Collar Counties			
	2022	1/1/2023	1/1/2024	1/1/2025	2022	1/1/2023	1/1/2024	1/1/2025	2022	1/1/2023	1/1/2024	1/1/2025
Tier 1	\$15.50	\$16.80	\$17.60	\$18.50	\$13.70	\$16.80	\$17.60	\$18.50	\$12.50	\$15.00	\$16.00	\$17.00
Tier 2	\$15.50	\$16.80	\$17.60	\$18.50	\$13.70	\$16.80	\$17.60	\$18.50	\$12.40	\$15.00	\$16.00	\$17.00
Tier 3	\$15.50	\$16.80	\$17.60	\$18.50	\$13.70	\$16.80	\$17.60	\$18.50	\$12.10	\$15.00	\$16.00	\$17.00
Tier 4	\$15.50	\$16.00	\$16.50	\$17.00	\$13.70	\$15.50	\$16.00	\$16.50				

For employees who have one (1) or more years of continuous service with the Employer:

	City of Chicago			Cook County			Collar Counties		
	1/1/2023	1/1/2024	1/1/2025	1/1/2023	1/1/2024	1/1/2025	1/1/2023	1/1/2024	1/1/2025
Tier 1	\$.80	\$.80	\$.80	\$.80	\$.80	\$.80	\$.80	\$.80	\$.80
Tier 2	\$.80	\$.80	\$.80	\$.80	\$.80	\$.80	\$.80	\$.80	\$.80
Tier 3	\$.80	\$.80	\$.80	\$.80	\$.80	\$.80	\$.80	\$.80	\$.80
Tier 4	\$.80	\$.50	\$.50	\$.80	\$.50	\$.50			

** Any general increase to which the employee is entitled is granted first, then if the employee is still below the minimum rate, the employee is moved to the minimum.

** Where required by a client account, an Employer may implement an increase in the wage rates set forth in this Article in the twelve (12) months preceding the date on which the increase becomes due, so long as the Employer provides the Union with advanced notice of the proposed increase and obtains the Union’s consent, which consent shall not be unreasonably withheld. In such event, the increase shall be credited and count toward any required annual increases as set forth and required by this Article.

*** If the City of Chicago, County of Cook or State minimum wage should increase during the life of this agreement the parties shall meet to specifically negotiate minimum wages only and the impact of the change(s). In the event the Employer and the Union are unable to reach an agreement with respect to wages at the re-opener negotiations, it is expressly agreed and understood that all provisions of the contract shall remain in full force and in effect for the duration of this agreement.

*** If the City of Chicago, County of Cook or State minimum wage should increase during the life of this agreement the parties shall meet to specifically negotiate minimum wages only and the impact of the change(s). In the event the Employer and the Union are unable to reach an agreement with respect to wages at the re-opener negotiations, it is expressly agreed and understood that all provisions of the contract shall remain in full force and in effect for the duration of this agreement.

In light of the benefits negotiated within this Agreement, the Company and the Union expressly waive the requirements imposed on the Company as a City Contractor/Concessionaire under Executive Order 2014-1 with regard to bargaining unit

employees. The parties stipulate that this waiver of the requirements of Executive Order 2014-1 is clear and unambiguous, and shall remain in effect until the execution of a successor agreement. Upon the Employer being awarded a contract under this Executive Order with the City of Chicago, the parties agree to meet and discuss within thirty (30) days of contract award.

Section 2. Sergeants, Lieutenants, Captains, Dispatchers and other supervisory personnel covered by this Agreement shall receive an additional payment per hour (or its equivalent) in addition to the minimum hourly wage scale set forth in Section 1 of this Article or above officer rate at account, whichever is greater.

Effective Every Year On January 1

Sergeants	\$0.20/per hour
Lieutenants	\$0.25/per hour
(Captains, Dispatchers and other Supervisory Personnel)	\$0.35/per hour

Section 3. Employees required by the Employer to carry firearms in connection with work assignment shall receive an additional payment of fifty cents (\$0.50) per hour above the highest unarmed non-supervisory rate for each hour he/she worked at that location. This additional payment shall not be paid at job locations where all employees are armed.

Section 4. Employees who perform production work, clerical work, or any other duty above and beyond those performed as part of the officers normal duties shall receive twenty cents (\$0.20) per hour in addition to the minimum hourly wage scale set forth in Section 1 of this Article.

Section 5. If an Employer takes an account previously serviced by a predecessor Employer which has a Collective Bargaining Agreement with the Union, the Employer

agrees he/she will not reduce the benefits, (or equivalent thereof) or wage rates paid by the predecessor Employer to its employees on such account at the time the bid is awarded.

Section 6. If an Employer takes an account previously serviced by a predecessor Employer and vacation benefits are higher than the new Employer; the new Employer shall recognize its own signed contract with regards to vacation time, recognizing the employees' full seniority.

ARTICLE XVII

STRIKES, LOCKOUTS, PICKETING

Section 1. During the term of this Agreement or any renewal or extension thereof, neither the Union, its officers, officials, representatives, agents, members, or any employee, will authorize, instigate, aid, condone, promote, participate in or engage in, any strike, distribution of literature regarding any labor dispute on the property of any client of the Employer or by an employee at any time, work-stoppage, slow-down, boycott, picket line, unfair listings, sit-down, sit-in, refusal to cross any picket lines, or other interruption, refusal, cessation, limitation or interference with the Employer's work or the business of the Employer, or any impeding of the business of the Employer, regardless of whether there is a claim by the Union of breach of this Agreement, or of Federal, State, or local law by the Employer.

Section 2. During the term of this Agreement the Employer will not lockout any employee(s) covered by this Agreement.

Section 3. In the event that an employee or group of employees covered by this Agreement shall, during its term, participate or engage in any of the activities herein prohibited, the Union agrees, after being notified by the Employer, to immediately direct (orally or in writing if requested by the Employer) such employee or group of employees to cease such activity and resume work at once.

Section 4. The Employer may, subject to the Grievance Procedure provided for in Article XIII, discipline or discharge any employee for engaging or participating in any of the job actions prohibited by Section 1 of this Article.

Section 5. At the Employer's discretion, the Employer shall notify the Union of an account that they have lost to a non-union contractor and supply the address of the location of said account, the client's contact name and number. In giving this notice, the Employer releases the Union from this Article at the job site of the account the employer has lost to a non-union contractor for the remainder of time the Employer is working on the site. Once the Union has received such notice it will use the opportunity to contact the client and leaflet the location until the time that the new contractor takes over the business. Then, if the new Employer hires a majority of the previous employer's employees, the Union shall demand bargaining with the new Employer under the successorship law.

ARTICLE XVIII **WAIVER**

The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. Therefore, the Employer and the Union, for the life of this Agreement, each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter not specifically referred to or covered in this Agreement, even though such subjects or matters may have been within the knowledge or contemplation of either or both of the parties at the time they negotiated or signed this Agreement.

ARTICLE XIX **NO DISCRIMINATION**

The Union and the Employer agree they shall not discriminate against any employee in promotions, assignments, suspensions, discharge, terms and conditions of employment, wages, training, recall or lay-off status because of race, color, ancestry, religion, creed, national origin, age, sex, maternity status, sexual orientation, gender identity, veteran status,

genetic information, or against a qualified individual with a disability (defined by the Americans with Disabilities Act). No employee covered by this Agreement shall be discriminated against because of membership in the Union or activities on behalf of the Union.

All parties agree to comply with all applicable federal, state and local laws, including but not limited to the Civil Rights Act of 1964, as amended, and also including 41 CFR 60-1.4(a) and the employee notice clause in 29 CFR Part 471, Appendix A to Subpart A, as applicable. Each party further agrees that it will not discriminate against any employee because of race, color, religion, sex, genetic information, national origin, age or disability. The parties shall abide by the requirements of 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified protected veterans and qualified individuals on the basis of disability, and requires affirmative action by covered entities to advance in employment qualified protected veterans and qualified individuals with disabilities.

ARTICLE XX

FUNERAL PAY

Section 1. An employee with at least one (1) year of service shall be granted three (3) days off with pay at his/her regular rate of pay if such time off is necessary to make funeral arrangements for and/or to attend the funeral of a member of the employee's immediate family.

Section 2. An employee shall not receive pay under Section 1 for any day on which the employee would not have worked.

Section 3. The "members" of the employee's immediate family covered by this Article are mother, father, sister, brother, spouse, civil partner as defined by Illinois State Law, child, grandchildren and grandparents. It is understood that the employees must provide a copy of the death certificate and proof of relationship (i.e. marriage license).

Section 4. A day's pay shall be based on the number of hours which the employee would have worked on the day in question, up to a maximum of eight (8) hours.

**ARTICLE XXI
SICK LEAVE**

Section 1. Employees in Tiers 1, 2, and 3 shall be entitled to earn paid sick leave benefits in accordance with the following schedule.

<u>YEARS OF CONTINUOUS SERVICE</u>	<u>MAXIMUM AMOUNT OF SICK LEAVE EARNED</u>
One (1) Year	5 Days
Three (3) Years	6 Days
Five (5) Years	9 Days

TIER 4:

Effective July 1, 2019 Employees with:
 One (1) Year 5 Days

Section 2. The amount of sick leave each year shall be calculated on the basis of the average number of hours worked per week during the year. When earned sick leave is taken, employees shall be paid up to the maximum amounts shown above, based on the average number of hours per week worked during the preceding twelve (12) month period and at their base hourly rate of pay in effect at the commencement of sick leave.

Section 3. To be eligible for sick leave pay, an employee shall notify his/her Employer promptly and shall, upon the request of his Employer, present medical evidence of his/her illness on the day he/she returns to work.

An employee working in Cook County, to be eligible for sick leave pay, the employee must supply a doctor's certificate stating time off required if absent for three (3) consecutive days or more on the day he/she returns to work. After three (3) occurrences the Employer shall have the right to request a doctor's certificate on any occurrence.

An employee working in Collar Counties, effective January 1, 2023 to be eligible for

sick leave pay, an employee shall notify his/her Employer promptly and shall, upon the request of his Employer, present medical evidence of his/her illness when sick for three (3) or more days in a seven (7) day period on the day he/she returns to work.

Section 4. In light of the benefits negotiated within this Agreement, the Company and the Union expressly waive the requirements imposed on the Company with regard to paid sick leave in accordance with Section 1-24-060 of the Chicago Minimum Wage and Paid Sick Leave Ordinances and Section 42-5 of the Cook County Earned Sick Leave Ordinance (also known as the Cook County Employer Paid Sick Leave Ordinance). The parties stipulate that this waiver of paid sick leave requirements under the Chicago Minimum Wage and Paid Sick Leave Ordinance and the Cook County Earned Sick Leave Ordinance is clear and unambiguous, and shall remain in effect until the execution of a successor agreement.

ARTICLE XXII **HOURS OF WORK**

Section 1. The workweek shall consist of seven (7) consecutive days. This Section shall not be construed as a guarantee of any number of days of work per week or hours of work per day, and the parties recognize that certain types of service work may require a work schedule other than a normal full-time work schedule. An employee will be granted a minimum of one (1) day off in each workweek

Section 2. Work in excess of forty (40) hours in any one workweek shall be paid for at one and one-half (1½) times the regular rate of pay. No hours shall be included in any calculation under this Section unless the employee has actually worked such hours, and hours paid for at any of the premiums provided for in this Section shall be excluded from any further calculation of premium pay. The Employer shall make a best effort to distribute all overtime evenly whenever possible.

Section 3. Employees shall not be required to work more than four (4) hours of mandatory time beyond their normal end of shift time within a twenty-four (24) hour period, unless mutually agreed to by the Employer and employee. The limitation in this section shall

not apply to such mandatory time required of an employee because the building/site is impacted by an act of God or other circumstances beyond the Employer's control, including but not limited to civil unrest, active shooter, fire, snowstorm, flood, or act of terrorism.

Section 4. Standing Stations: To the extent practical, an employee assigned to a stationary standing post shall not be required to stand longer than an average of fifty (50) minutes out of each hour and in no event longer than two (2) consecutive hours.

Section 5. Meal Periods: The Employer shall endeavor to give each employee an uninterrupted lunch period of twenty (20) minutes away from the workstation no later than four and one-half (4½) hours after the start of the employee's shift. It shall be understood, however, that while the nature of security may make direct relief by another individual impossible, employees do have the opportunity during the majority of shifts to take an uninterrupted lunch in, near, or at the work station. Employees required remaining in, near, or at their work stations for an unrelieved lunch period shall be paid for that time. Employees relieved for lunch periods may or may not be paid for that time, at the direction of the Employer or client.

The Employer and the Union agree this provision shall meet the spirit and intent of applicable statutes concerning lunch relief, as well as the Employer's current practice at each site.

Section 6. Any regular full-time employee who reports to work on a scheduled day off at the request of their Employer shall receive a minimum of four (4) hours of pay.

Section 7. The Employer will set forth on an employee's pay stub the number of hours worked during the pay period and the amount and reason for any deduction made from the employee's pay.

Section 8. Regardless of time changes due to changes between daylight savings and standard time, employees will be paid only for actual hours worked.

Section 9. An employee temporarily transferred to a higher paid classification will receive the higher rate of pay as long as he/she continues the higher paid classification.

Section 10. An employee promoted to a higher paid classification will receive the higher rate of pay immediately upon commencing work in the higher paid classification following the promotion.

Section 11. Waiver for Fair Workweek / Predictive Scheduling Ordinance

In light of the benefits negotiated within this Agreement and if the Chicago Fair Workweek Ordinance (Amendment of Municipal Code, Title 1, a new chapter, chapter 1-25) is enacted, in its current form or any modified version thereof, to the extent permitted by law, the Employers and the Union expressly waive any and all requirements imposed on the Employers with regard to the aforementioned ordinance in this bona fide collective bargaining agreement. The parties stipulate that this waiver of the requirement under the Chicago Fair Workweek Ordinance is clear and unambiguous, and shall remain in effect until the execution of a successor agreement

To the extent the ordinance requires that the name/citation of the ordinance and/or some other phrases or acknowledgements be expressly stated to meet the waiver requirements that are not currently set forth herein, or that the waiver must post-date the ordinance, the Company shall have the right, upon notice to the Union, to reopen the contract solely to address any deficiencies and the Union agrees that it will immediately agree to add the language and any execution date necessary to fully effectuate the clear and unambiguous waiver.

ARTICLE XXIII
SUBCONTRACTING

The Employer, during the life of this Agreement, shall not subcontract all or any part of the work being performed by employees in the bargaining unit covered by this Agreement, unless those employees currently employed shall be employed by a contractor or subcontractor as a condition of any contract or subcontract entered into by the Employer.

If the Employer, during the life of this Agreement, subcontracts for all or part of the work being performed by employees in the bargaining unit covered by this Agreement, it shall include in its agreement with the contractor, a provision binding the contractor to observe the economic terms and conditions of this Agreement, such as wages, hours and fringe benefits. The Agreement between the Employer and the contractor shall also provide that if a complaint is filed by the Union that the subcontractor or new contractor is not faithfully observing such terms of this Agreement and said complaint is determined to be valid pursuant to the procedure described below, the Employer shall terminate its agreement with the contractor or subcontractor on thirty (30) days' notice. When such complaint is filed by the Union, the contractor shall be given a hearing before a representative of the Union and a representative of the Employer. If they cannot agree on a disposition of the complaint, it shall be decided in accordance with the contract provision on binding arbitration (Article XIII Section 4 and 5). If it is determined that the complaint of the Union is well founded, the contract between the contractor and the Employer shall be terminated.

In the event that the Employer subcontracts to a security contractor that does not have a collective bargaining agreement with the Union, the Employer shall require that said contractor provide wages and benefits to its employees of at least an equivalent cost to those borne by Employers pursuant to this Agreement. Disputes between the Union and the Employer regarding compliance with this provision shall be subject to the grievance and arbitration provisions set forth in Article XIII of this Agreement. If it is determined in the third step or in subsequent arbitration proceedings between the Union and the Employer that the grievance is well-founded, the Employer shall terminate its contract with the subcontractor within sixty (60) days after written notice by the Union to the Employer unless, in the interim, it is shown that the subcontractor has begun providing wages and benefits to its employees of at least an equivalent cost to those born by Employers pursuant to this Agreement and has compensated its employees for the difference dating from the date the contractor began providing security services to the Employer.

ARTICLE XXIV

MOST FAVORED NATIONS

If, during the term of this Agreement, the Union makes an agreement giving any security contractor Employer any terms and conditions which are more favorable to that Employer than is provided in this Agreement, this Employer shall be privileged forthwith to adopt such advantageous articles, sections, appendixes, side letters or conditions in their entirety, provided only that the Employer has sent written notice to the Union calling the matter to its attention.

It is further agreed that the Union will disclose to this Employer, upon request, copies of any and all collective bargaining agreements, side letters, or memorandum of agreement, etc., concerning jurisdiction of the Agreement made between the Union and any other security contractor employer or group thereof within thirty (30) days of its execution.

ARTICLE XXV

UNIFORMS

Section 1. The Employer agrees to supply and repair uniforms and all equipment which security employees are required to wear or use in performing their duties.

Section 2. Employees will be responsible for any uniforms or equipment items which are damaged, destroyed, or lost because of negligence on the part of the employees. Employees shall not use or wear any uniform or equipment furnished by the Employer at times other than when they are on duty or when they are going directly to and from a job assignment.

Section 3. For the purpose of decreasing loss of uniforms and equipment, the Employer may as a uniform and equipment deposit, deduct a maximum of \$150.00 from the wages of new employees, in no less than four (4) increments, provided the employee is informed of such deduction at time of hire. This deposit shall be refunded to the employee when he/she leaves the Employer's employment, provided he/she returns all uniforms and equipment in reasonable condition.

ARTICLE XXVI
SAVINGS

If any provision or enforcement or performance and any provision of this Agreement is or shall at any time be held contrary to law, then such provision(s) shall not be applicable or enforced or performed except to the extent permitted by law. Both parties agree to construe any provisions held to be contrary to the law as closely to its bargained for purposes permissible by law and to agree on a revised provision that as closely as legally possible mirrors the purpose of such invalidated provision(s). If any such provision of this Agreement shall be held illegal or of no legal effect, the remainder of this Agreement shall not be affected thereby.

ARTICLE XXVII
DURATION-REOPENING

This Agreement shall be deemed effective as of **September 2, 2022** and shall remain in full force and effect until **September 1, 2025**. For its duration, the parties hereto waive further collective bargaining on all appropriate subjects of bargaining, whether or not mentioned herein except that this Agreement may be reopened for making such changes as are required by the Employee Retirement Income Security Act as subsequently construed by courts or appropriate governmental agencies.

Dated _____, 20 ____.

By: _____

**SERVICE EMPLOYEES INTERNATIONAL UNION,
LOCAL 1**



By: _____

Appendix “A” Exceptions List

Appendix “B” Tier 4 Benefits

1. **HEALTH & WELFARE** – SEE Article IX Health Insurance
2. **PERSONAL DAYS** – No personal days
3. **HOLIDAYS** – 6 holidays, paid at 1½ times for hours worked as follows:
 - New Year's Day
 - Memorial day
 - July 4th
 - Labor Day
 - Thanksgiving Day
 - Christmas Day
4. **VACATION** – Fulltime employees with one (1) year of service will receive vacation in accordance with the current Employer policy.
5. **SICK LEAVE** –5 paid sick days-See Article XXI, Page 36, 37
6. **PENSION/401(k)** – pursuant to Article X of this Agreement

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COLLECTION

POLICY

APRIL, 2018

**NOTE TO CONTRIBUTING EMPLOYER:
KEEP THIS POLICY WITH YOUR CURRENT COLLECTIVE BARGAINING AGREEMENT**

SEIU Local 1 & Participating Employers *Health Trust*

EMPLOYER CONTRIBUTION COLLECTION POLICY

1. **Delinquencies.** Employer contributions shall be due in the Trust's Bank Depository (lock box) on or before the due date specified in the Collective Bargaining Agreement. An Employer is delinquent with respect to a contribution if the correct amount of the Employer contribution and the appropriate remittance reports are not received by the Bank Depository established for the Trust by such date. If the Employer pays by the due date, but the amount is less than what is required, the delinquency is the difference between the amount due and the amount paid.

An Employer's delinquency may result in the loss of eligibility for the respective employees.

2. **Notice of Delinquency.** After the first calendar day of each month, the Fund Office shall identify each Employer who remains delinquent as of such day. The Fund Office shall notify each delinquent Employer of its delinquency and of the accrual of interest charges and the assessment of liquidated damages. If the building serviced by the delinquent Employer belongs to any Building Manager's Association, the Fund Office may also inform the Association. The Fund Office may notify the applicable Management Association and Union of all delinquencies in summary form. A summary notice may also be sent to the Local Union Representative and to the Board of Trustees. The failure of the Fund Office to send notice or the Employer's failure to receive notice as provided in this paragraph shall not relieve the Employer of its liability for contributions and related interest and liquidated damages.

3. **Interest and Liquidated Damages.** Interest and liquidated damages will be imposed on all delinquent contributions identified by the Fund Office in the manner described in paragraph 2 at the rates specified in the Trust Agreement, except as provided below. Interest and liquidated damages will be determined from the date the contribution was due to the date payment is recorded as received by the designated bank depository.

If the delinquency arises because the Employer failed to make a payment, interest and liquidated damages will be imposed on the total amount due. If the Employer makes a payment by the due date, but pays less than the required amount, interest and liquidated damages will be imposed on the unpaid balance of the required contribution.

Interest and liquidated damages will accrue from the due date in the Collective Bargaining Agreement until the delinquencies have been corrected. The accrual of interest and liquidated damages will be calculated on a daily basis. Provisions in Collective Bargaining Agreements, that credit Employer contributions to the earliest period when the delinquent contributions are owed irrespective of the allocation shown on the Employers' remittance report apply only to the issue of the plan coverage for the affected employees and do not affect the calculation of interest and liquidated damages as set forth in this collection policy.

SEIU Local 1 & Participating Employers *Health Trust*

Interest and the assessment of liquidated damages may be waived by the Trustees if a waiver is consistent with the Trustees' fiduciary duties under ERISA and does not result in a prohibited transaction under ERISA Section 406, provided that (a) the Employer has not been delinquent during the previous 12 months (but interest and liquidated damages may be reimposed if the Employer again becomes delinquent during the subsequent 12 months); (b) the delinquency was isolated or inadvertent; (c) the delinquency remained uncorrected for less than 30 days and resulted from a failure of data processing equipment that was beyond the control of the Employer. Under these waiver provisions, the Trustees may waive either interest or liquidated damages or both. Interest and liquidated damages will not be waived in the event of the bankruptcy of the Employer.

4. Referrals to Fund Counsel. If a payment of a delinquency is not received within 60 days or is in excess of \$10,000; the delinquency and any interest and liquidated damages attributable to such delinquency are not received within 14 days after the mailing to the Employer of the notice described in paragraph 2 above, the amounts due shall be referred to Fund Counsel for collection; provided, however, that any delinquency of less than \$10,000 shall be referred to Fund Counsel in those cases in which the Employer has been repeatedly delinquent, or in other cases, when deemed in the Trust's best interest by the Trustees or the Fund Manager. By such referral, Fund Counsel will be authorized to demand from the delinquent Employer all amounts due and to file suit to collect such amount. Attorney's fees and costs incurred by the Trust with respect to any such referral shall be assessed against the delinquent Employer and added to the total delinquent amount due. Once a matter has been referred to Fund Counsel for collection, no Trustee or Fund Office representative shall negotiate payment terms with the Employer. If any Employer shall initiate or become the subject of a petition for bankruptcy, reorganization or liquidation, then any amounts then due from such Employer shall immediately be deemed delinquent and immediately payable and the account shall be immediately referred to Fund Counsel for collection.

5. Expired CBA. In the event a delinquency which would otherwise be referable to Fund Counsel under this Collection Policy shall arise out of employment which takes place after the expiration of the applicable collective bargaining agreement, but before an impasse in bargaining for a renewal of the collective bargaining agreement has occurred, the Fund Manager, in addition to referring the matter to Fund Counsel, may file with the National Labor Relations Board an unfair labor practice charge ("ULP charge") against the delinquent Employer, alleging a unilateral change in terms and conditions of employment. If this Trust is determined to have no standing to file such a ULP charge, the Fund Manager shall, in lieu of filing the ULP charge, notify the Local Union of the existence of the delinquency and request the Local Union to file the ULP charge.

6. Assignment. If the Fund Manager determines that an Employer is delinquent for three months (whether or not consecutive) the Trustees hereby direct the Fund Manager to seek payment of the full monthly contributions for each subsequent month directly from the building manager or managers that engage the Employer, provided the Employer has made an assignment of such future contributions to the Trust pursuant to the Collective Bargaining Agreement covering such Employer's employees. Direct payments will continue until the delinquencies for the three months have been paid by the Employer, along with any applicable interest and liquidated damages.

SEIU Local 1 & Participating Employers *Health Trust*

7. Compliance Audit. A compliance audit program of contributing Employers will be conducted in the following manner.

a. All contributing Employers are to be audited at least once over a six-year period. Large Employers with more than 100 employees are to be audited on a random basis once every three years.

b. Each Employer will be audited for not less than a one calendar quarter period to ascertain compliance with the terms of the Collective Bargaining Agreements. The audit period will be expanded if noncompliance is determined to be significant.

c. The Employers to be audited will be determined from a computer-generated list of contributions made by each Employer for the fiscal year October 1st through September 30th. The Employers will be randomly selected, except that no audit shall be performed in those cases in which the Trustees determine that an audit would not be cost effective, and Employers who have been audited as a result of random selection process shall not be randomly audited more frequently than once every two years.

d. Any Employer audit that results in a deficiency in excess of \$5,000.00 or 3% of its reported contributions may be subject to audit on an annual basis.

The payroll audit procedures will be those procedures established by the Trusts' independent certified public accountants.

Nothing in the aforementioned selection process will prevent payroll audits, for cause, at any time on any contributing Employer. The following criteria shall be considered cause for performing payroll audits:

- 1) The Employer's name appears as delinquent on multiple occasions; or
- 2) The Employer is suspected of not reporting accurately.

The Trust will pay the cost of payroll audits unless any such audit discloses an amount due from an Employer in excess of 2% of the reported contributions for the period audited in which event the Employer shall be responsible for and shall be assessed with the cost of the audit.

When a payroll audit discloses that an Employer has not made all required contributions, the auditor shall advise the Employer of the amount found to be due and the basis for the amounts owed, including interest and liquidated damages. Interest and liquidated damages will be calculated from the date the deficiency arose to the date of the audit report for purposes of notifying the Employer of the delinquency and will continue to accrue until all amounts are paid. If the amounts due are not paid within 14 days of the Employer's receipt of such a notice, the Trustees shall refer the matter to Fund Counsel for collection. In the event of a referral to counsel, the Employer shall be responsible for attorney's fees and any further costs incurred in collecting the delinquent amounts, interest and liquidated damages.

8. Dates. In the event of any inconsistency between due dates in this Policy and an applicable Collective Bargaining Agreement, the Collective Bargaining Agreement will control.