



The President's Report | By Dennis R. Arrington

Greetings from the ITPEU President, You have heard it on the news, around the dinner table at home, from your ITPEU Representatives

and I have mentioned it several times in my reports – we are having a health insurance crisis in this country. Medical inflation continues to rise while employer contributions often fall short. This has created a particularly difficult challenge for workers employed under the Service Contract Act, which is tied to the Department of Labor's (DOL) Wage Determination. The annual revisions to the DOL benefit rate per hour fail to reflect the reality of medical inflation, increasing at little more than one percent per year. Meanwhile medical inflation continues to increase by well over 5% per year.

However, I am very proud of you, the member, and the ITPEU Representatives and ITPEU Health and Welfare Trustees and Advisors, who have vigilantly pursued higher contribution rates and have made the tough decisions to keep your Plan strong enough to survive without enough additional contribution income. I am also thankful for the employers who have seen the benefit of the ITPEU Health and Welfare Plan and have exceeded the DOL's rate to ensure that their employees have the best coverage available.

Although the 2017 modifications were painful for all of us, we were able to eliminate the \$150 pharmacy deductible this year. Also, effective January 1, 2020, all Participants with a contribution rate of \$4.40 and above will have vision benefits for dependents restored and dental deductibles reduced. In addition to these benefits for the existing rate bands, the

Board of Trustees adopted an improved schedule of benefits for employers contributing \$4.80 and above. This new level of benefits includes restoration of the benefits noted above and, most importantly, reduces the yearly deductible and out of pocket costs for medical expenses and prescription drugs.

To explain why I am so proud of the ITPEU Health & Welfare Plan and the people who make it work effectively, please see the figures below. These are national averages direct from the International Foundation of Employee Benefits (www.ifebp.org):

Single health coverage:

- 46% have a deductible between \$1,000 and \$2,999
- 6% have a deductible between \$3,000 and \$3,999
- 6% have a deductible that is \$4,000 or higher.

Family health coverage

- 29% have a deductible between \$1,000 and \$2,999
- 26% have a deductible between \$3,000 and \$4,999
- 23% have a deductible of \$5,000 or higher.

Family premiums

- The average premium for family coverage in PPOs like the ITPEU H&W Plan is \$21,683; The ITPEU H&W Plan covers all dependents for little more than a third this cost.

As you can see, even after the recent decline in coverage, the ITPEU Health and Welfare Plan is still head and shoulders above most – and it continues to improve. We are very fortunate to have this plan and it is my sincerest hope that it continues to grow and gain strength for years to come.

I wish all of you a Very Merry Christmas, Safe and Happy Holidays and a Happy New Year.



The President's Report	1
ITPEU Member and Staff Spotlights	2
Notice to Employees Covered by Union Shop Agreements	3
ITPEU Locations	4



ITPEU Representative and Executive Board Member, Denise Moore (standing, left) assists a member employed by Rice Services at the US Naval Academy in Annapolis, MD. The Naval Academy's dining service is a tremendous operation and well-oiled machine which serves 4,200-4,500 Navy Midshipmen just for lunch! Rice Services employees take great pride in their work.



Happy and proud ITPEU members pose for a group picture following a membership meeting. Vicke Eades, Shop Steward, is pictured in the center wearing a yellow shirt."



50 YEARS OF SERVICE!

John Brenton IV, ITPEU Secretary/Treasurer (L) and Teresa Hall (R), GCE Project Manager, congratulate Peggy Oatis (center), ITPEU Shop Steward, for her 50 years of service at the Naval Construction Battalion Center (Sea Bee Base) in Gulfport, MS."



Terry Schmile, PCSI Project Manager (L), presents Chun Hatfield (R) with an award from PCSI in celebration of her 35 years of continuous service at Fort Hood, Killeen, TX. Sixteen employees, all with over 20 years of continuous service, were presented with awards for their dedication and longevity



NOTICE TO EMPLOYEES COVERED BY UNION SHOP AGREEMENTS

The Industrial Technical & Professional Employees Union, OPEIU Local 4873, AFLCIO (“ITPEU”) represents employees throughout the country and assists them by negotiating better wages, benefits and other conditions of employment and by pursuing meritorious grievances. All but a small portion of the ITPEU’s financial resources are spent on these and related activities. That remaining, small portion is used for organizing, support for political activities and community services. All of these activities are for the benefit of the members of this Union.

Many workers represented by ITPEU are in units covered by collective bargaining agreements which include union shop clauses. Those are provisions which require the covered workers to be members of or otherwise provide financial support to ITPEU. This annual notice is to advise those employees about their rights and obligations concerning membership and payment of Union dues. This notice will assist you in understanding the advantages and benefits of union membership and provides you with information on your obligations if you choose not to be a full member and instead to pay a nonmember fee.

BENEFITS OF UNION MEMBERSHIP

All employees covered by an ITPEU collective bargaining agreement, including nonmembers, receive the protections and benefits of that agreement. However, only members are entitled to attend Union meetings, to serve as shop stewards, to nominate and vote for candidates for Union office or Convention Delegate and to run and be elected to any of those positions. Only members are allowed to participate in the development of contract proposals and Union policies.

Dues for ITPEU membership and a full voice in the Union are only \$35.50 per month as of January 1, 2020. In all but a few instances, you have the convenience of having your employer deduct the dues from your paycheck and send the money to the ITPEU.

NON MEMBER FEES

Employees who are covered by a union shop clause but choose not to be ITPEU members must pay nonmember fees. These fees cover the ITPEU’s services related to the collective bargaining process and representation, such as negotiation of collective bargaining agreements, enforcement and administration of those agreements, meetings with employees and employers, and representation of employees in grievance and arbitration proceedings. Excluded from the services covered by the nonmember fees are the costs of any community service and of political activities. Also excluded from the current calculation are the ITPEU’s organizing costs and publication expenses.

The ITPEU had certified public accountants review its expenditures for calendar year 2018 and determine the percentage of those expenses which are chargeable to nonmembers (and, thus, included in the fee) and which are nonchargeable (and therefore excluded). The accountants

determined that the chargeable costs were 92.9752% of the ITPEU’s expenditures for that year (i.e., the nonchargeable costs were 7.0248%).

Applying this percentage to the \$35.50 per month dues paid by full ITPEU members, the nonmember fee is \$33.01 per month for the period from January 1, 2020, through December 31, 2020, provided, however, that if there is a change in the full ITPEU dues at any time during this period, the non-member fee will change, whether up or down, by the same percentage. As noted above, any employee who chooses to pay the nonmember fee instead of full Union dues has no voice in any ITPEU affairs.

Please note that since the chargeable and nonchargeable expenses may change from year to year, the nonmember fee may also fluctuate each year. Individuals who elect to pay the nonmember fee rather than membership dues will have their non-member fee automatically adjusted each year in accordance with the accountants’ review (unless and until they choose to become members).

FILING OF OBJECTIONS

Anyone who objects to paying membership dues (and who will, instead, pay the nonmember fee) can file an objection. That objection can be filed in writing with the ITPEU Dues Objection Administration, ITPEU Headquarters, 14 Chatham Center South, Unit B, Savannah, GA 31405. Any nonmember who is currently covered by a union shop clause and who has not yet filed an objection to paying membership dues can file that objection no later than January 31, 2020, in order to be exempt from the membership requirement for calendar year 2020. (An employee who first becomes covered by a union shop clause after December 31, 2019, and any member who resigns from full ITPEU membership will have thirty days from notification of the option to pay a nonmember fee in which to file an objection.)

Any employee who files an objection will be sent a detailed description of how the nonmember fee was calculated, including further information regarding for which categories of expenditures they will be charged and for which they will not be charged. They will also be informed of the procedure to be used by anyone who wishes to challenge the calculation.

Fraternally,
John Brenton IV
Secretary/Treasurer



CONTACT US AT THESE ITPEU LOCATIONS

www.ITPEU.org

SAVANNAH HEADQUARTERS

Dennis R. Arrington, *President*
John Brenton IV,
Secretary/Treasurer
Natasha Gray, *Representative*

P.O. Box 22699
Savannah, GA 31403

14 Chatham Center South, Unit B
Savannah, GA 31405

(912) 349-1154 - Phone
(877) 550-4873 - Toll Free
(912) 777-5912 - Fax

SPRING LAKE BRANCH

Denise Moore, *Representative*
Amanda Brady, *Representative*
P.O. Box 370

Spring Lake, NC 28390
(910) 497-1661 - Phone
(877) 704-4873 - Toll Free
(910) 497-1674 - Fax

LOUISVILLE BRANCH

Wilma Zimmerman, *Representative*

P. O. Box 91819
Louisville, KY 40291
(502) 231-2833 - Phone
(866) 926-4873 - Toll Free
(502) 231-2834 - Fax

TACOMA BRANCH

Trina Williams, *Representative*

P.O. Box 790
Wauna, WA 98395
(253) 857-8236 - Phone
(877) 526-4873 - Toll Free
(253) 858-7265 - Fax

LAS VEGAS BRANCH

T. "Ruthie" Jones, *Representative*
Mike Kilgo, *Representative/
Organizer*

3271 S. Highland Drive,
Suite 716

Las Vegas, NV 89109
(702) 384-7171 - Phone
(877) 532-4873 - Toll Free
(702) 384-4939 - Fax

SAN ANTONIO/ EL PASO BRANCH

Lena Bailey, *Vice President*
Patricia Foley, *Representative*
Charles Bailey, *Representative*

9107 Marbach Road, Suite 110
San Antonio, TX 78245
(210) 673-5036 - Phone
(877) 508-4873 - Toll Free
(210) 673-5197 - Fax

ITPEU HEALTH & WELFARE

Kathy Heery, *Administrator*
Lana Hickox, *Office Manager*

P.O. Box 13817
Savannah, GA 31416

24 Oglethorpe Professional Blvd.
Savannah, GA 31406

(912) 352-7169 - Phone
(800) 327-5926 - Toll Free
(912) 352-8953 - Fax

FUNDS REPRESENTATIVE

Richard Larimer
rlarimer22@comcast.net

2359 Railroad street, Suite 3501
Pittsburgh, PA 15222
(412) 999-4426

ITPEU PENSION

ITPEU ABF

ERISA SYSTEMS

Joseph Corcoran, *Administrator*
Michael Palumbo, *Administrator*

216 North Avenue East,
2nd Floor
Cranford, NJ 07016

(908) 276-0800 - Phone
(800) 874-5977 - Toll Free
(908) 276-0810 - Fax

www.ITPEU.org



P.O. Box 22699
Savannah, GA 31403

ITPEU