

## I.A.T.S.E. ANNUITY FUND

### Participation Agreement for Studio Mechanics Locals that Wish to Participate in the Salary Deferral feature of the Annuity Fund

The undersigned Local Union agrees as follows regarding Annuity Fund benefits for employees of Local No. \_\_\_\_\_, I.A.T.S.E. ("The Local Union"), a chartered studio mechanics local. This Participation Agreement covers salary deferrals only and is separate and apart from any Participation Agreement by which the Local Union makes employer contributions to the Annuity Fund.

#### 1. Trust Agreement

The Local Union acknowledges having reviewed or been offered the opportunity to review a copy of the Agreement and Declaration of Trust as amended and restated effective September 22, 2005, as amended (the "Trust Agreement") establishing the I.A.T.S.E. Annuity Fund (the "Annuity Fund") and the Annuity Fund's Statement of Policy and Procedures for Collection of Contributions Payable by Employers (the "Collection Guidelines"). The Local Union agrees to be bound by all of the terms and provisions of the Trust Agreement and the Collection Guidelines.

#### 2. Computation of Contributions

Commencing with the effective date for contributions under this Agreement, and continuing through any renewals, extensions or amendments thereof, the Local Union agrees to offer salary deferrals to the Annuity Fund for each and every employee, except that Highly Compensated Employees, as defined by the Internal Revenue Service (for 2010, generally those earning more than \$110,000), are not eligible to defer. In order to ensure compliance with IRS requirements, participation must be made available to all Local Union employees unless an exemption has been approved in writing by the Fund Office.

The Local Union hereby warrants that it will contribute to the Annuity Fund only on behalf of individuals whom it has determined to be eligible employees. The Local Union acknowledges that the Trustees and the Annuity Fund assume no responsibility for this determination and that if it is subsequently determined that the Local Union has made contributions to the Annuity Fund on behalf of an ineligible employee, that individual may not be eligible to receive any benefits from the Annuity Fund, and the Local Union will not be entitled to a refund for such contributions, except to the extent permitted by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Trust Agreement, and the written plan of benefits.

#### 3. Payment of Contributions

Payment of contributions as required above shall be made by check payable to the "I.A.T.S.E. Annuity Fund" and mailed to the Fund Office not later than: *For Weekly Contributors, the 5<sup>th</sup> business day of the week following the end of the week in which the covered services were performed; OR, For Monthly Contributors, the 10<sup>th</sup> day of each month following the end of the month in which the covered services were performed.* However, in any event, deferrals must be received no later than the 15<sup>th</sup> day of month following the month in which the amounts would otherwise have been paid as salary. Each payment of contributions shall be accompanied by a Remittance Report (including earnings information for all employees) in the form supplied by the Annuity Fund office.

#### 4. Records

The Local Union agrees to maintain and make available to the Board of Trustees of the Annuity Fund (the "Trustees") or their designees for inspection and verification all of its payroll records covering such employment in accordance with the Trust Agreement and the Collection Guidelines. The Local Union further agrees to provide the Fund Office in a timely manner with salary information for all relevant periods (generally the current and prior year) for all its employees.

#### 5. IRS Compliance

The Annuity Plan adopted by the Trustees shall comply with the requirements of the Internal Revenue Code so as to enable the Local Union to treat contributions to the Annuity Fund as a deduction for income tax purposes.

#### 6. Extensions and Amendments

A copy of each renewal, extension or amendment of this Agreement, reflecting any change in the rate of contribution, shall be promptly furnished to the Fund Office. Should the Local Union fail to sign an extension agreement, this Agreement shall continue in force at the last stated contribution rate until written notice to the contrary is received by the Annuity Fund.

7. **Effective Date of Participation Agreement:** \_\_\_\_\_

8. **Contribution Rates:** Shall be as per Individual Salary Deferral Agreements. (Each employee must complete their own separate deferral agreement).

9. **Termination or Modification**

This Agreement may be modified only by an agreement in writing signed by authorized representatives of both parties hereto except as provided by Paragraph 11 below, provided, however, that either the Local Union or the Trustees may unilaterally terminate this Agreement on a prospective basis by written notice to the other party. Notwithstanding the foregoing, if the Local Union's participation in the Annuity Fund pursuant to this Agreement terminates for any reason, the Local Union shall remain obligated to pay to the Annuity Fund all amounts owed under this Agreement and to fulfill all other obligations with respect to the Annuity Fund (whether arising under this Agreement, the Annuity Fund's plan document, the Trust Agreement or applicable law) with respect to the period prior to the effective date of such termination.

10. **Null and Void Clause**

The Local Union and the Trustees agree that if any provision of this Agreement is determined to be unlawful or otherwise null and void, the remaining provisions will remain in full force and effect, except to the extent necessary to comply with Paragraph 11 below.

11. **Continued Qualification**

This Agreement shall be deemed to be amended, as necessary, to ensure continued qualification of the Annuity Fund under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code") and of the I.A.T.S.E. Annuity Plan under Section 401(a) of the Code.

12. **Interpretation**

The Trustees shall have the sole and absolute discretionary authority to interpret and apply the terms and provisions of this Agreement.

**FOR THE LOCAL UNION:**

\_\_\_\_\_  
(Insert Name and Number of Local) (City and State)

By: \_\_\_\_\_  
(Signature of Authorized Officer) (Title) (Print Name)

Date: \_\_\_\_\_

**FOR THE I.A.T.S.E. ANNUITY FUND:**

By: \_\_\_\_\_  
(Signature of Authorized Representative) (Title) (Print Name)

Date: \_\_\_\_\_