

International Union

Local Unions 138, 138A, 138B & 138C

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of Operating Engineers

Nassau & Suffolk Counties

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To: All Local 138 signatories:
From: IUOE Local 138
Re: Amended Trust Agreement

As you may be aware, the Trustees of the Trustees (the "Trustees") of the International Union of Operating Engineers Local 138 Employee Benefit Funds (the "Funds") recently made certain amendments to the Collection Policy governing the Funds. Copies of the new policy are available on request and it is adopted by reference through the Funds' Trust Agreement. The highlights of the changes include:

1. The revised collections policy institutes an arbitration program to resolve delinquency and audit disputes;
2. The revised collections policy creates a subcommittee of Trustees to address audits and delinquencies;
3. Interest shall now be charged from day 1 of a delinquency and shall be charged an annual interest rate of 12%, 1 % per month. There remains a 45-day grace period, but interest is not waived so that on day forty-six, all interest from day one will be charged;
4. The Funds auditors shall seek a wider range of documents when performing audits; and
5. Bond requirements have been stiffened; and
6. In the event that an employer fails to maintain appropriate records, Funds auditors may use estimates to determine delinquencies.