

**SEIU AFFILIATES' OFFICERS AND EMPLOYEES PENSION PLAN
POLICY FOR COLLECTION OF CONTRIBUTIONS**

(effective for all amounts due and owing on or after March 1, 2021)

The Board of Trustees of the SEIU Affiliates' Officers and Employees Pension Plan ("Fund"), in accordance with the Trust Agreement of the Service Employees International Union Affiliates' Officers and Employees Pension Plan ("Trust Agreement"), and the Constitution and Bylaws of the Service Employees International Union, CTW, CLC ("Constitution") hereby adopts the following policy for the collection of contributions. The following policy shall apply to all SEIU Local Unions ("Locals") participating in the Fund pursuant to the Constitution and affiliated organizations ("Related Organizations") participating pursuant to a written agreement ("Participation Agreement") participating in the Fund (collectively "Participating Organizations"), including any successor to such Participating Organization.

**SECTION 1
General Policy**

It is the policy of the Fund to make such diligent and systematic efforts as are appropriate under the circumstances to collect contributions when they are due. The Trustees have the legal right to exercise all remedies allowable under this Policy, the Trust Agreement, and the Constitution, including but not limited to:

1. The right to establish a date on which contributions are due and the format in which remittance reports supporting such contributions must be made;
2. The right to conduct a review of the payroll records of all employees of Participating Organizations, including, but not limited to, payroll ledgers, federal and state tax returns, union dues remittance reports, state unemployment forms and withholding remittances, documentation to verify job classifications and hire/termination dates, IRS Form 941 and such other books and records of the Participating Organizations that are necessary in order for the auditor to give an opinion that the proper contributions have been made;
3. The right to establish an audit or payroll review program;
4. The right to require that Participating Organizations pay the cost of a payroll review, plus late fees, attorneys' fees, and any other expenses incurred by the Fund in conducting the payroll review;
5. The right to recover late fees, attorneys' fees and any other expenses incurred by the Fund in collecting any delinquency;
6. The right to enforce this Policy against any Participating Organization that ceases to have an obligation to contribute to the Fund for the time period during which the Participating Organization was obligated to contribute to the Fund, whether under the terms of the Constitution, a Participation Agreement, or under applicable law;

7. The right to terminate a delinquent Related Organization's participation in the Fund in appropriate circumstances, as determined by the Trustees in their sole discretion.
8. The right to take all other steps and to perform all other acts that are necessary to collect contributions due to the Fund in a timely and expeditious manner;
9. The right to, from time to time, appoint a Committee of Trustees to act on behalf of the Board of Trustees, as provided for under this Policy; and
10. The procedures set forth herein shall be followed unless the Board of Trustees in their sole discretion determines that they should be waived in a particular instance.

All questions or disputes relating to the interpretation, meaning, and/or application of this Policy shall be finally and exclusively resolved by the Board of Trustees in the exercise of its discretion and in the performance of its fiduciary obligations to the Fund's participants and beneficiaries, in the protection of the financial integrity and soundness of the Fund and the efficient and effective administration of the Fund. The obligations to pay late fees and other fees chargeable under this Policy and under the Trust Agreement are contractual in nature and independent of the provisions of ERISA Section 502(g) and other applicable law. In consideration for its participation, or continued participation, in the Fund, each Participating Organization is and shall be obligated to pay all fees and costs chargeable pursuant to this Policy and pursuant to the Trust Agreement. This Policy shall be applied to comply with Prohibited Transaction Exemption 76-1.

SECTION 2

Collection Procedure

In accordance with the Trust Agreement, the Constitution, ERISA, all other applicable law, and the above declaration of policy, the following procedures shall be required of all Participating Organizations and the steps set out below shall be taken to effectuate the collection of contributions. As used in this Policy, the term "Delinquent Contributions" includes all contributions and surcharges or supplemental contributions owed pursuant to the PPA or a Funding Improvement Plan or Rehabilitation Plan adopted by the Trustees under the PPA, that are unpaid or underpaid for any reason, including but not limited to mistake, miscalculation, misinterpretation of contract terms, reliance upon a Participating Organization or other third party, or ignorance and regardless of whether remittance reports have been provided for such delinquent contributions.

1. Contributions and supporting remittance reports(s) are due from Participating Organizations by the end of the month following the month in which the work was performed for which the contributions are owed. Initial contributions and supporting remittance reports for new Participating Organizations (*i.e.* for all months necessary to bring the employee group current) are due no later than the last day of the month following the month in which the agreement to contribute was executed by the parties.
2. Retroactive contributions made on behalf of temporary or part-time employees shall be considered timely made if paid by the last day of the month following the month in which the employee becomes eligible for those contributions.
3. Contributions must be accompanied by a completed remittance report form(s) supplied by the Fund, or in electronic form as directed by the Fund Office, supporting such contributions. The Executive Director may approve the submission of reports in other

forms, including in electronic form, if it is determined that providing reports in such form will not cause additional burden or expense to the Fund.

4. If the contributions and the remittance report are not received by the last day of the month in which they were due, the Fund Office shall send a notice of delinquency to the Participating Organization requesting immediate payment of the delinquent contributions plus a late fee at the rate prescribed by Section 2, paragraphs 6(b) and 6(c), along with submission of the appropriate remittance report form.
5. If a Related Organization fails to remit the contributions and remittance report(s) by the last day of the second month following that for which contributions were due, the delinquency may be referred to legal counsel, with notice sent to the Related Organization. When determining whether to refer a Related Organization to legal counsel, the Fund will consider the following:
 - a. The amount of the delinquency;
 - b. The payment history and reporting history of the Related Organization;
 - c. Legal considerations concerning the delinquency;
 - d. The costs of collection and litigation; and
 - e. The assets of the Related Organization.
6. The following rules shall apply to all delinquent, late or underpaid contributions:
 - a. Net Contributions Due: Net Contributions Due shall include all monthly Delinquent Contributions (“Monthly Contributions Owed”) owed for all months less any credited monthly overpayments made by the Participating Organization in accordance with Section 2, paragraph 7.

PLUS
 - b. Late Fees on Late-Paid Contributions: If contributions are not received by the last day of the month in which the contributions were due, a late fee shall be charged on the late payment from the due date for the delinquent contributions through and including the date payment is actually received by the Fund Office at the rate of ten percent (10%) per annum on the contributions due for the Monthly Contributions Owed. The late fee shall be compounded monthly. Notwithstanding the foregoing, late fees calculated to be less than one dollar (\$1.00) shall not be charged.

PLUS
 - c. Late Fees on Net Contributions Due: If a Participating Organization has Net Contributions Due, late fees shall be calculated on the Net Contributions Due at a rate of ten percent (10%) per annum, compounded monthly.
7. If the Fund Office has not received complete and correct remittance report(s) necessary to determine the amounts owed by the Participating Organization, the Fund Office shall estimate the contributions due based on the most recent remittance report submitted to the Fund, payroll information, or other basis as reasonably determined by the Fund, and the Participating Organization shall be deemed delinquent in its contributions in that amount on a monthly basis, as a minimum.

8. Any payment made by the Participating Organization in excess of its required monthly contribution amount due shall be applied to the earliest pay period for which any amounts including delinquent contributions and late fees, are due. The Trustees may enforce and take all action under this Policy, to collect late fees and other amounts owed.
9. A Participating Organization that believes it has paid an amount in excess of all amounts owed to the Fund (“Net Overpayment”) resulting solely from either an error in its calculations or in the amount of its payment (*i.e.*, not resulting from an error in its reported hours) may apply the amount of its Net Overpayment as a credit towards its future contributions. Any other Net Overpayment, including a Net Overpayment resulting from a reporting error, must be confirmed by the Fund Office before a credit may be taken. Such confirmation from the Fund Office is not binding on the Fund and does not preclude the Fund from auditing the Participating Organization for the same period at a later date. A Participating Organization may request confirmation in writing from the Fund of any believed credit within two years of the original Net Overpayment. The Participating Organization must apply the credit within two years from the date of the Net Overpayment or six months from the Fund’s confirmation of the Net Overpayment, whichever is later, or such overpayment shall be forfeited.
10. A Participating Organization that believes it has a Net Overpayment may request a refund of the claimed overpayment by submitting a request in writing to the Trustees within two years of the date on which the overpayment was received by the Fund. The writing must include a detailed explanation for the basis of the claimed overpayment and include all supporting documentation. The Trustees shall have the discretion to approve or deny any request for refund less any outstanding fees or other penalties (including attorneys’ fees and costs and audit testing fees) due. Any approved refund shall also be reduced by (a) an administrative fee equal to ten percent (10%) of the amount of the overpayment and (b) any other financial detriment to the Trust resulting from the overpayments, including overpaid pension benefits which are not recovered.
11. Credits or refunds for Net Overpayments shall be issued only in a manner consistent with ERISA section 403(c)(2) and Internal Revenue Code section 401(a)(2). The Fund shall not be obligated to pay benefits resulting from any overpaid contributions. Notwithstanding the forgoing, in the event that a Participating Organization’s overpayment has resulted in an erroneous increase in a participant’s pension benefit, the Trustees may elect to not correct any overpayment to the participant and shall apply the amount of the Participating Organization’s overpayment towards the cost of the additional benefit in a manner consistent with IRS self-correction rules. No interest shall be due to any Participating Organization on any overpayment.

SECTION 4

Payroll Review Procedure

1. The Board of Trustees shall select such number of Participating Organizations each year for payroll reviews as it deems from time to time to be appropriate. The Trustees may delegate to the Executive Director the task of selecting which Participating Organizations shall be reviewed pursuant to this Policy or pursuant to a selection policy separately adopted by the Trustees. The Trustees or the Executive Director may also choose for a payroll review a Participating Organization that was not randomly selected.

Notwithstanding the foregoing, unless the Trustees or the Executive Director determine that there is good cause for delay or cancellation, each Participating Organization must be subject to a payroll review at least once every 4 years.

2. The Executive Director may coordinate audit/payroll review activities with those of any other employee benefit plan(s) covering employees of the selected Participating Organization. In each case of a joint audit/review, the Fund Office shall enter into an agreement (or agreements) with the other plan(s) for an equitable allocation of the costs of such audit/review.
3. The right of the Fund to conduct a review of a Participating Organization's records shall survive the termination of a Participating Organization's obligation to participate under the Constitution, Participation Agreement or any other written agreement under which the Participating Organization is contributing to the Fund, any bankruptcy filing, or any assessment or payment of withdrawal liability.
4. The Fund Office shall forward a letter to the Participating Organization advising it of the impending payroll review and citing the Trustees' authority to conduct the review.
5. The auditor shall schedule the payroll review with the Participating Organization, which shall make available to the auditor all books and records which the auditor determines are required. Alternatively, at the auditor's election, the Participating Organization shall be required to send the pertinent records to the Fund Office or make the records available to the auditor for inspection at a location in the Washington, D.C. metropolitan area
6. Where a payroll review of an Participating Organization is conducted and the payroll review discloses an underpayment, the Fund Office shall send a letter to the Participating Organization advising of the underpayment and requesting that the Participating Organization make payment of the underpayment, late fees, testing fees (when appropriate under this Policy) and any other costs associated with conducting the payroll review or collecting amounts owed within forty-five (45) days of the date of the letter. After the expiration of the forty-five (45) day period, a second letter shall be sent to the Participating Organization demanding that the underpayment be remitted immediately.
7. Participating Organizations have a duty to maintain a record of individual hours worked by their employees for at least seven (7) years.
8. Participating Organizations will be billed as follows.
 - a. Principal Amount Owed: The Principal Amount Owed shall include all Delinquent Contributions owed for all months less any overpayments discovered by the payroll review.

PLUS

- b. Late Fees: Late Fees on the amounts owed are calculated from the date originally due to the date paid and compounded monthly at rate of 10% per annum.
9. The Board of Trustees shall authorize the Executive Director to make decisions regarding the collection of fees associated with the audit following the advice of legal counsel. In such cases where legal counsel has advised that the cost of further collection efforts for

unsubstantial amounts would not be financially prudent to pursue, the Executive Director may then terminate collection efforts.

10. The Board of Trustees authorizes the Executive Director to apply any Net Overpayment discovered by the payroll review procedure to any Participating Organization delinquencies in accordance with Section 2, paragraph 7. If the Participating Organization has no other delinquencies, the rules for the application of a credit of a Net Overpayment towards future contributions set forth in Section 2, paragraph 8 shall apply.
11. Any request for a refund from a Participating Organization resulting from a Net Overpayment discovered by the payroll review procedure shall be governed by the rules regarding Net Overpayment refunds described in Section 2, paragraph 9. A Participating Organization is not entitled to a refund, however, of any Net Overpayment discovered in the payroll review procedure if it has any contributions or other amounts owed.

SECTION 5 Reports and Records

1. The Fund Office shall prepare a delinquency report to be presented at each Board of Trustees' meeting. The report shall show all Participating Organizations that are delinquent. The determination of the Board with respect to action on such delinquencies, and the specific bases therefore, shall be recorded in the minutes.
2. The Fund Office shall maintain a file of currently effective Participation Agreements and other agreements detailing the basis upon which Participating Organizations are obligated to make contributions to the Fund.

SECTION 6 Pension Protection Act Provisions

Any Participating Organization obligated to contribute in accordance with a contribution schedule imposed or elected pursuant to the PPA shall remain bound by such contribution schedule, including any applicable increases under the contribution schedule, as may be updated by the Trustees, following expiration of its Participation Agreement unless the Participating Organization has ceased participation in the Fund.

SECTION 8 Effective Date

This Policy shall be effective March 1, 2021, and shall be applicable to all amounts due and owing on or after such effective date.