Labor Negotiations for the Washington, DC and Richmond Areas Kick-Off

Labor negotiations for a new collective bargaining agreement officially started when members of SMART Local Union 100 and SMACNA Mid-Atlantic met on May 27th in Suitland, Maryland. The current three-year contract expires on June 30th.

Representing Local 100 are President Richie LaBille, Tom Killeen, Mike Noble, and Mike Mahar. SMACNA Mid-Atlantic’s Labor Negotiating Committee is Dale Trunnell, Chairman; Frank Battaglino, Mike Tabor, Rob Delawder, and Vince McGowan.

At the same time, negotiations will start on a new collective bargaining agreement for the Richmond Virginia area. The current agreement is also scheduled to expire on June 30 of this year. SMACNA Mid-Atlantic is being represented by Mike Pantele, Chairman; Vince McGowan, and Mike Tabor.

According to Labor Committee Chairman Dale Trunnell, “Our goal is and always has been to have an agreement that is mutually beneficial to both sides and supports the long term sustainability of our industry.”

Fortunately, the Washington pension and health plans are being well managed and in relatively good shape financially. The association will keep members updated as talks progress.

Important Information—New Suite Address

SMACNA Mid-Atlantic is moving to a new suite within the same building effective June 1.

Please update the suite number in your records.

7833 Walker Drive
Suite 400
Greenbelt, MD 20770
**Maryland SB 751 Apprentice Startup Act of 2020**

Senator Jim Rosapepe (D-MD) introduced Senate Bill 751 to provide fiscal relief to organizations who have apprentices actively working and meet the state criteria for a refund. Coincidentally, SMACNA Mid-Atlantic staff have met with Senator Rosapepe on multiple occasions and have found him to be a strong supporter of the Choose Bigger recruitment program.

This Bill authorizes a taxpayer (company) to apply for a refund for up to five (5) apprentices in a tax year through the Maryland Department of Labor. Tax credit certificates will be issued on a first-come, first-serve basis, subject to certain limitations. The tax credit is $3,000 for each eligible apprentice who is not employed through a youth apprenticeship program. The maximum tax credit amount is $15,000 for a taxpayer in a designated tax year.

**The tax credit is $3,000 for each eligible apprentice who is not employed through a youth apprenticeship program**

The keystone basis for eligibility is that an apprenticeship training program is registered with the Maryland Apprenticeship and Training Council. Specifically the bill states: “Provides highly supervised training skills through a certified apprenticeship training program, for classroom credit offered at community colleges, universities, high schools, vocational training centers, or directly through certified apprenticeship training centers registered with the State.”

The requirements for an apprentice to be eligible state the apprentice has been employed by the taxpayer for at least 450 hours of the taxable year, or the apprentice has been employed by the taxpayer for at least seven months of the taxable year; AND if the individual is in an employee classification for which there is a prevailing wage rate, receives an apprenticeship wage that is at least 50 percent of the prevailing wage.

Maryland has set aside $500,000 to support this fund annually through 2025. Within 45 days, the Department of Labor will notify the taxpayer of receipt of the application and the approval or denial of requested tax credit(s).

Contact the Maryland Department of Labor for an application. [www.labor.maryland.gov](http://www.labor.maryland.gov)

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**SMACNA Now Accepting Nominations for 2nd Annual Safety Innovation Award**

SMACNA is accepting nominations for its second annual Safety Innovation Award. The award, based on the theme “Safety Excellence Through Innovation,” is open to all SMACNA members who submitted a 2020 SMACNA Safety Excellence Awards Survey.

In collaboration with SMACNA Premier Partners Milwaukee Tool and Federated Insurance, the award is presented to the company that demonstrates an innovative safety idea, concept or best practice that improves its safety programming or culture. Milwaukee Tool and Federated Insurance will each contribute $2,500 to the charity of the winner’s choice. In addition, the winner will receive a trophy which will be presented at SMACNA’s 77th Annual Convention along with SMACNA Safety Excellence Survey Awards winners.

Submissions are due July 1, 2020. All entries will be judged for creativity, degree of added benefit to the company, and level of quantitative improvement.

Submit your Safety Innovation Nomination online.

If you have questions, please email Mike McCullion, SMACNA’s director of market sectors and safety.

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**Chapter Members Speak with Congressman Brown**

On May 21st SMACNA Mid-Atlantic Chapter Members were briefed by U.S. Congressman Anthony Brown who represents Prince George’s County.


Brown is no stranger to SMACNA Mid-Atlantic members. While Lt. Governor of Maryland, he gave the key note address at the 2009 Chapter Annual Meeting.

Chapter members joining the call were Kathy Bigelow, Dale Sheppard, Sean Welch, and Executive Director Bernie Brill.

Many thanks to SMACNA’s Director of Legislative Affairs Stan Kolbe and the Capitol Hill Staff for arranging this opportunity.
**SMACNA Dues Increase Effective**

**July 1, 2020**

Last year the SMACNA National Board of Directors approved a three cent an hour dues increase effective with the start of a new collective bargaining agreement. For many years the rate has stood at $0.12 an hour but is now being increased to accommodate the increasing cost of current services and the growing demand for new ones.

The increase will be spread out over the upcoming three years. Beginning with hours worked on July 1, 2020 the SMACNA dues will increase from $0.12 to $0.13 per hour. The SMACNA Mid-Atlantic contribution rate will remain at $0.20 per hour where it has been for the past five years. The $0.06 per hour Apprenticeship Recruitment Fund will continue without any changes.

The break-out is as follows:

- **2020-2021**: $0.39
- **2021-2022**: $0.40
- **2022-2023**: $0.41

Payments should continue to be made to The SMACNA Mid-Atlantic Sheet Metal Trust as they have in the past.

Richmond area contractors will see their dues increase as well by once cent a year during the next three contract years.

- **2020-2021**: $0.33
- **2021-2022**: $0.34
- **2022-2023**: $0.35

The rate increase will not affect Baltimore contractors until their current agreement with SMART Local Union 100 expires in 2022. At that time the $0.03 dues increase will become effective.

It is important to note that the SMACNA Mid-Atlantic Chapter Board of Directors reviews the Sheet Metal Industry Fund contribution rate every year and has the option to make any necessary adjustments.

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**House Relief Package Addresses Multiemployer Pension Plans**

*Author: Hazel Bradford (www.pionline.com)*

Another coronavirus relief legislative package introduced last month in the House has several retirement provisions, including some relief for multiemployer pension plans and the Pension Benefit Guaranty Corporation (PBGC).

The proposed Heroes Act legislation includes several retirement provisions for multiemployer and single-employer retirement plans, in a section titled the Emergency Pension Plan Relief Act of 2020.

Single-employer plans would benefit from longer amortization periods of funding shortfalls to 15 years, from the current 7 years. For pension fund interest rate smoothing, interest rates scheduled to start phasing out in 2021 within a 10% range would be delayed until 2026 with a 5% range, and a 5% floor to increase predictability of contributions.

Multiemployer pension plans get several areas of relief in the proposal, which notes that many of the 1.3 million participants in struggling pension plans cover workers on the front lines of the COVID-19 crisis. Rising unemployment and the market downturn related to the health crisis are further exacerbating the multiemployer pension plan crisis "and threatens to bankrupt the Pension Benefit Guaranty Corporation, impose damaging liabilities on thousands of businesses, and devastate communities across the country," the bill reads.

The legislation also calls for doubling the PBGC guarantee for multiemployer plans, including those that have already been receiving PBGC assistance since December 2014. The current maximum guarantee is $12,870 for participants with 30 years of service.

Multiemployer plan officials would no longer be able to apply to the Treasury Department to reduce benefits to stay solvent. Plans in endangered or critical status would not have to update their status until 2021. They would also gain 5 more years to work on their rehabilitation plans, and the 15-year period for making up funding shortfalls would be extended to 30 years, a practice allowed after the 2008 financial crisis. "Pension plans, participants, and plan sponsors need more stability and a longer period over which to pay for long-term liabilities that can stretch out for decades. This would help a plan weather this economic and financial storm," the bill said.

The House proposal would give community development financial institutions $1 billion for economic support and recovery in distressed communities. It would also permanently reverse a more generous individual tax write-off of business losses that was part of an earlier coronavirus relief package.
“Supply Side”
A new feature spotlighting one of SMACNA Mid-Atlantic’s key industry suppliers.

Guardians of Air Quality

By Kelly Wright

Havtech remains open to provide support for the health and safety of your buildings and occupants. Through our manufacturer partners, we’re sharing the following resources related to Indoor Air Quality (IAQ).

Mars | Clean Air Series

Mars HEPAC® is suited for particulate capture. It deploys the power of a HEPA filter, which captures 99.97% of microscopic pollutants and particulates, and 2-inch pre-filters with a MERV 8 rating.

Mars UVC® has scientifically proven germicidal capabilities and a 99.99%-100% surface kill which eradicates pathogens, reduces VOC odors, and provides the assurance of superior sanitation.

FläktGroup® SEMCO | AVRON 46

The anti-microbial coating serves to reduce the growth and spread of 95% of microbial activity in ductwork, HVAC components, and panels. Ideal for critical health environments, schools, and public gatherings.

Price | Fan Filter Units (FFU)

FFU delivers high volumes of HEPA (or ULPA) filtered air at low sound levels while reducing energy consumption by 15-50%. Tested in accordance with IEST RP-CC002.2.

UVDI | V-MAX™ Air Disinfection

In-duct UV systems are designed to disinfect air as it passes through the HVAC system and irradiate the entire cross-section of a duct at high intensities.

Global Plasma Solutions (GPS) | Plasma Ionization

GPS technology provides substantial reductions of common pathogens while producing no Ozone. Pathogens tested include C. Diff, Staph, MRSA, E. Coli and Legionella.

Questions? Please contact HAVTECH Marketing 301-206-9225

New Virginia Construction Statute: General Contractors Can Be Liable to Pay Subcontractor’s Employee Wages

Authors: John M. Robb, III, Kenneth T. Stout (www.mslaw.com)

Last month, Virginia’s General Assembly enacted a new law that makes contractors on large construction projects liable for unpaid wages owed to their subcontractors’ employees. Senate Bill 838, codified at Virginia Code § 11-4.6 and § 40.1-29 has four major effects:

1. It makes the general contractor—and all tiers of subcontractors working on the project—contractually liable to pay their subcontractor’s (at any tier) employees’ wages;

2. It requires that such payments equal or exceed those required by applicable statutes, such as Virginia’s Minimum Wage Act and the federal Fair Labor Standards Act (“FLSA”);

3. It deems contractors to be the employers of their subcontractors’ employees for purposes of Virginia Code § 40.1-29, which imposes criminal liability and civil penalties for failing to pay employees’ wages when due; and

4. It gives all employees several procedural advantages, allowing them to sue jointly or as a class action, imposing liquidated damages equal to the wage amounts owed, awarding reasonable attorney’s fees, and—in cases of willful violations—imposing treble damages.

The statute, which governs contracts entered into after July 1, 2020 applies to construction projects valued at $500,000 or more. It does not, however, apply to single-family residential construction projects.

Sophisticated general contractors and subcontractors may seek to guard against this new liability by (1) making pre-qualification requirements more rigorous, (2) requiring subcontractors and suppliers to post their own payment bonds, (3) expanding contractual indemnity language, (4) requiring additional warranties and representations in monthly pay applications, (5) increasing employment practices liability insurance coverage, (6) limiting the use of unproven or fledging subcontractors, and/or (7) issuing joint checks to subcontractors and employees in extreme circumstances.