




SHEET METAL BENEFIT PLANS ADMINISTRATIVE CORPORATION

111 N. Sepulveda Blvd., Suite 100
Manhattan Beach, CA 90266-6861
(310) 798-6572 • FAX: (310) 937-2173

Date: November 16, 2017

To: All Contributing Employers to the Sheet Metal Workers' Health Plan of Southern California, Arizona and Nevada

From: Vern Shaffer, Executive Director, Sheet Metal Benefit Plans Administrative Corporation (SMBPAC) 

Re: Health Plan B – Contributions Minimum of 110 Hours per Month for Bargaining Unit Employees

This is a reminder for contributing employers that under the rules of the Health Plan, bargaining unit employees in Health Plan B must be reported for all hours worked, **subject to a minimum of 110 hours per month**. This rule does not apply to the month of hire or termination; for these months there is no minimum hours reporting requirement. Please be advised that during months of rate increases, should you elect to split the hours, **you must report a minimum of 110 hours for the current month**.

Contributions of 110 hours or more per month are required for bargaining unit employees to gain and maintain eligibility for coverage and benefits under Plan B. Therefore, when employers fail to report the required minimum number of hours on their employees in Plan B, they may cost their employees (and their employees' dependents) months of health coverage under the Plan. Periodic compliance audits conducted by the Plan are designed to detect underreporting, and if underreporting is found employers will be charged for the delinquencies plus liquidated damages, but in most cases audits are too late to provide employees with meaningful health coverage for months they may have lost due to underreporting.

For this reason, if an employer reports a Plan B bargaining unit employee for fewer than 110 hours, and does not indicate that this is the employee's first or last month with the employer, the Administrative Office will automatically increase such hours to 110, and the employer will receive a discrepancy notice charging the employer for the difference in the amount due. Liquidated damages will be charged if the discrepancy is not paid promptly.

Thanks for your attention to this matter and please don't hesitate to contact this office should you have any questions.

cc: Employer Accounts Committee
Lindquist
Legal Counsel