

Union Resorts to Strike to Press Bad Faith Behavior

St. Louis, MO – June 8, 2015 – The Bricklayers' Union has sanctioned a strike - - - AGAIN.

Since the current leadership took over control of the Bricklayers' Union Local No. 1, they have since called a strike every time the Union has had a collective bargaining agreement expire. In this year's round of negotiating sessions, the Employer Association narrowed its proposals to three items. Those items included an effort to improve apprenticeship efforts, raise wages and agreement to a union proposal on pension contributions that changed only one word from the union's original proposal. When the Contractors proposed these three items to reach agreement as expiration drew near, the union slapped on the table 15 pages of new proposals, thereby moving the goalposts and raising the bar. Then the Union called its strike.

In this strike, the Union is reaching beyond the bargaining table to achieve an objective that is already a matter which has been pending in federal court for almost a year. This strike continues to jeopardize the masonry trade, resulting in both lost wages and hours needed for bricklayers to keep their Healthcare. The MCA did not engage in any Lockout, threaten to implement any proposal or seek to reduce wages. The MCA was and remains focused on reaching an agreement for the actual contract.

Bricklayers' Local No. 1 has Union Construction held hostage. The Union has made clear any agreement reached will be contingent upon the withdrawal of a request to arbitrate a dispute between Pension Trustees that has been in Federal Court since last year. The dispute among trustees has a mechanism--- arbitration, which the Trustees have been seeking since last year. The Union now wants that arbitration to end even before it begins.

All of the Trustees have a special (fiduciary) responsibility to the bricklayer participants. This dispute in Federal Court arose only after some of the Trustees refused to consider arbitration as a means of resolving differences (Arbitration is provided as the means to resolve disputes in the Pension Trust). The Union wants to hold hostage the Union Construction Industry through this strike in order to force the hand of those Trustees who have the fiduciary responsibility to the participants of the Pension Plan. The effort to seek arbitration among the Pension Trustees revolves around these facts:

A Local No. 1 Bricklayer receives \$9.16 per hour he/she works towards three different pension funds; one local Defined Benefit Fund, one local Defined Contribution Fund and one International Union Defined Benefit Fund.

The latest report from the actuary states that there are 645 active bricklayers. To be an "active bricklayer", you must have worked enough hours to earn a partial pension credit for that year. Of the 645 active union bricklayers, 322 of them are eligible for retirement in ten years.

That is 50% of the active workforce. There are currently 1,183 non-actives; those inactive with deferred benefits and those in pay status which results in a current ratio of active participants to non-active participants of 1 to 2. Currently, the industry has only 16 apprentices.

These are alarming trends for any pension plan.

The Union will claim that the actuary says the plan is fine, in fact, 93% funded according to the latest "Funding Notice" provided by the actuary. While there is no dispute to that number, it ignores the trend and the future cliff the Pension Plan is facing.

A much more simple calculation contained in the actuary's report shows the plan is only 58% funded based on assets to liabilities.

The unfunded actuarial accrued liability is \$11,796,107.00 as of the latest report from the actuary.

The Trustees have been working on this very issue for 2 ½ years. The Management Trustees recognize the trend and motioned to protect the participants by moving to a hybrid design.

Retirement Plans are for the long term. Ignoring the demographic trends and other trends plaguing the unionized workforce is a disservice to the participants and beneficiaries. Over 400,000 teamsters have received their letter stating that the Pension Fund is taking action towards cutting benefits, even for those in pay status. This is a tragedy.

Now is the time for this plan to consider alternatives and possible transition. The Trustees cannot ignore the demographics any longer. The Local Pension has to avoid the same pitfalls that affect the Bricklayers' and Allied Craftworkers International Pension Fund (IPF). Now the IPF is funded at 60.53%.

The IPF assets to liability funding ration is at 35.09% according to the latest IRS 5500 filing available. A bricklayer in St. Louis is paying \$0.31 per hour to pay down debt on the IPF and will continue to pay. This year it will increase to \$0.37 for every hour he/she works and will continue to increase. Starting in 2017, the increase will be 6% every year. This is a non-benefit bearing contribution, just to pay down debt.

Unfortunately, the Union Trustees have cancelled the Pension Trustees Meeting that was scheduled for June 3 without any explanation. The Management Trustees have given several dates to try to reschedule to no avail. The Management Trustees have formally called for a Special Trustees Meeting in accordance with the Trust Document. As of this writing, there has been no confirmation from the Union Trustees. No changes can be made except through the Pension Board.

The MCA has also asked the NLRB for relief and will continue to bargain in good faith to reach an agreement and end this work stoppage.