

Michigan Laborers'

District Council

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June 26, 2018

Via Electronic Mail

MITA
PO Box 1640
Okemos, MI 48805

RE: CONTRIBUTION OBLIGATION LIABILITY NOTICE

Dear Valued Construction Trades Partner,

We understand that MITA contractors may sign a CBA with the Operating Engineers, that covers some of the same work already covered by their current CBA with the Laborers.

Before entering into any such new CBAs, contractors need to consider current fringe benefit contribution obligation for the work already covered by the current Laborer's CBA.

Under the current Laborers CBA and ERISA, the Trustees of the Michigan Laborers Fringe Benefit Funds have both the right and fiduciary duty to pursue contributions due for covered work performed by MITA covered employees. A new CBA, that covers work identical to the Laborers work and that also requires fringe benefit contributions to other fringe benefit funds, may require MITA contractors to "pay double" on their behalf.

Courts have held that the prospect of "paying double" does not relieve the employer of its CBA obligation to make contributions to the ERISA funds.

To avoid unnecessary litigation costs and the prospect of "paying double," the Michigan Laborers District Council urges MITA contractors to carefully review its contribution obligation liabilities -- plus its exposure for mandatory liquidated damages, interest, attorney fees and court costs.

MITA should do this review before it signs a new CBA that involves the same work covered by the current Laborers CBA.

If you have any questions, do not hesitate to contact the undersigned.

Sincerely,

A handwritten signature in blue ink, appearing to read "Geno Alessandrini, Sr.", written over the word "Sincerely,".

Geno Alessandrini, Sr.
Business Manager