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Summer

2008

### 2008 Trowel Trades Trust Fund Educational Conference November 14 - 15, 2008 Crowne Plaza San Antonio Riverwalk - San Antonio, TX



The 2008 Trowel Trades Trust Fund Educational Conference will be held November 14 - 15 at the Crowne Plaza San Antonio Riverwalk. Read the entire article [here](#).

### Specialty Construction Legislative Conference

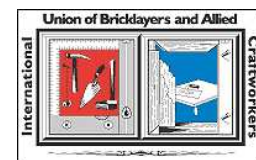
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### Health Care Purchasing Coalition

On April 1st, the first fund came on board with the new BAC Health Care Purchasing Coalition (BAC HCPC). Now, fully operational, the jointly BAC/ICE trustee HCPC offers BAC funds a solution to the health care issues facing their funds and participants due to rising costs.

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### Trowel Trades Industry Insurance Company Helps Lower Workers' Compensation Costs

The Trowel Trades Industry Insurance Company ("the Captive") is a Vermont domiciled captive insurance company owned by the International Union of Bricklayers and Allied Craftworkers ("BAC") and BAC signatory contractors, represented by the International Council of Employers of Bricklayers & Allied Craftworkers ("ICE"). The Captive is an insurance company that provides Workers' Compensation coverage for BAC signatory contractors in conjunction with Nova Casualty



Trowel Trades  
Industry Insurance  
Company

Company. Read the entire article [here](#).

### **IPF Benefits Secure within the "Green Zone"**

The International Pension Fund (IPF) actuary has certified that, for the 2008 Plan year, the IPF is not in critical or endangered status under the new funding rules introduced by the Pension Protection Act of 2006. As addressed in the 2006 IPF/IHF Summary Annual Report, the Pension Protection Act classifies multi-employer defined benefit plans, like the International Pension Fund, in either green, yellow, or red zones based on their funding levels. IPF occupies the green zone which is indicative of pension plans with funding levels of 80% or higher and with no projected funding deficiencies forecasted within 7 years. For more information regarding the Pension Protection Act, please refer to the 2006 IPF/IHF Summary Annual Report and future editions of the IPF/IHF Retirement Blueprint and Summary Annual Report.

### **Contractor Accountability Making Progress on Capitol Hill**

ICE and its Campaign for Quality Construction (CQC) partners have been working on the Contractors and Federal Spending Accountability Act, H.R. 3033 and S. 2904, which would increase oversight for awarding of public contracts and strengthen accountability in the suspension and debarment process. The CQC consulted with H.R. 3033's author, Carolyn Maloney (D-NY), during the development of the bill and has welcomed her at its past two legislative conferences to show continued support of her efforts. The House recently inserted the provisions of H.R. 3033 into the National Defense Authorization Act (NDAA), H.R. 5856, with government-wide application. Sen. Claire McCaskill (D-Mo.) inserted a similar amendment into the Senate's version of NDAA (S. 3002), but in its current form it would apply only to the Department of Defense. Sen. McCaskill plans to offer an amendment when the bill comes to the Senate floor that would ensure that the provision cover all government agencies.



## **CONSTRUCTION LABOR RESEARCH COUNCIL REPORTS**

ICE Affiliates can view the following Construction Labor Research Council reports in the *Members Only* section of the [ICE](#) website:

### **5-Year Averages**

- 7/01/03 - 7/01/08 5-Year City Average Increases in Dollars
- 7/01/03 - 7/01/08 5-Year City Average Increases in Percent
- 7/01/03 - 7/01/08 5-Year Region Average Increases in Dollars
- 7/01/03 - 7/01/08 5-Year Region Average Increases in Percent

### **2008**

- Trends & Outlook
- June - Wage & Benefit Settlements
- March - Cost of Terms and Conditions
- February - Construction Labor Rate Trends

### **2007**

- Bricklayers Settlements
- November - Terms & Conditions Reference Guide
- September - Wage & Benefit Settlements
- July - Union/Non-Union Paper

## CALENDAR

### **CONTRACTOR COLLEGE**

September 25, 2008 - John J. Flynn BAC/IMI Int'l Training Center, Bowie, MD

### **CONTRACTOR COLLEGE**

October 10, 2008 - Ypsilanti, MI

### **CONTRACTOR COLLEGE**

November - Philadelphia, PA

### **CONTRACTOR COLLEGE**

November 6, 2008 - Lima, OH

### **CONTRACTOR COLLEGE**

November 9 - 10, 2008 - Orlando, FL

### **TROWEL TRADES TRUST FUND EDUCATIONAL CONFERENCE**

November 14 - 15, 2008 - Crowne Plaza San Antonio Riverwalk, San Antonio, TX

### **CONTRACTOR COLLEGE**

November 18, 2008 - New Brunswick, NJ

### **2009 CAMPAIGN FOR QUALITY CONSTRUCTION**

May 11 - 13, 2009 - Renaissance Washington Hotel, Washington, DC

## ICE Voice Continued

### **2008 Trowel Trades Trust Fund Educational Conference**

The 2008 Trowel Trades Trust Fund Educational Conference will be held November 14 - 15 at the Crowne Plaza San Antonio Riverwalk. The conference focuses on a broad range of topics from pension fund investing to increasing participant work opportunities and fund contributions, to new ways to use the union's collective strength to control health care costs, to



### **HEALTH CARE FACTS**

***America spends more on health care than other countries - but we die younger***

*The United States spent \$2 trillion in 2005 on health care, representing 16 percent of the U.S. gross domestic product (GDP). In contrast, health care spending accounted for only*

electronic reporting and reciprocity, to the new Trowel Trades Industry Insurance Company.

"One of the reasons that we're here today is because we believe that everyone has the right to retire with dignity, and have access to affordable, quality health care coverage," IU President and fund trustee John J. Flynn told attendees as he opened the 2007 Conference.

Health care ranks high on the list of BAC members', their families' and their employers' concerns, and for good reason. Jonathan Cohn, author of *Sick: The Untold Story of America's Health Care Crisis - and the People Who Pay the Price*, offered a sobering picture at the 2007 conference of the toll that government's failure to address this issue has taken on individuals and families from all walks of life. He discussed the history of the health care system, and offered thought-provoking ideas for reform of the U.S. health care system.

Today more than 47 million Americans - including 8.7 million children - have no health insurance and "even those with secure coverage struggle with their medical bills because premiums and out-of-pocket payments are rising faster than their incomes or because they need services that their insurance doesn't cover," Cohn said. It is not surprising, given cutbacks in government programs for health care and rising health care costs, that a growing number of families and individuals are being forced to file for bankruptcy because they cannot pay their health care bills.

Cohn reminded attendees that the last time we saw health care cost increases slow down and the ranks of the uninsured decline was in the 1990s. At that time, HMOs and insurance companies reigned in cost increases because they were afraid if they did not, the public would rally behind proposed reforms and cut their profits. Furthermore, in the early 1990s, most Americans still had employer-based coverage and "didn't think [the health care crisis] applied to them," said Cohn.

That picture has changed. Since then we've seen the "number of employees getting insurance from their jobs decline," he added.

Randy DeFrehn, Executive Director of the National Coordinating Committee for Multiemployer Plans (NCCMP), echoed Cohn's remarks, telling attendees that the Administration's proposal to use tax incentives to expand coverage "will actually decrease coverage by allowing employers to drop coverage."

### **BAC Responds to Health Care Crisis**

"BAC funds have a good track record of providing health care

11.6 percent of the GDP in Switzerland, 11.1 percent in France, 10.7 percent in Germany, and 9.8 percent in Canada.

*Life expectancy in the U.S., at less than 78 years, ranks behind Japan, most of Europe, Jordan, Guam, and the Cayman Islands. Furthermore, the U.S. has a higher infant mortality rate than 40 other countries, including Cuba, Taiwan, and most of Europe.*

### ***Exploding costs are hurting working families***

*One in four families had a problem paying for medical care in the past year - and more than two-thirds of those with problems had insurance.*

*Nearly 30 percent said someone in their family had delayed medical care in the past year*

*As health costs increase, employers and trust funds that offer health coverage are finding it harder to compete with nonunion employers in America that don't offer benefits and companies in countries that have universal coverage.*

*To learn more, visit [www.aflcio.org/healthcare](http://www.aflcio.org/healthcare).*

*Source:  
AFL-CIO "FACTS About America's Broken Health Care System"*

benefits to members, but I think we can all agree that on the health care front, it's become increasingly challenging," ICE President Fred Kinateder (pictured) told trustees.

Recognizing that rising costs are creating problems for all BAC funds, and that no single employer, union or trust fund can address this challenge alone, the IU began taking steps to establish a health care purchasing coalition for BAC health and welfare funds. At last year's Conference, Karen Mallett, a consultant with Cheiron, Inc., announced that the BAC Health Care Purchasing Coalition (HCPC) had proven to be feasible and, with good participation, would allow funds to save money without compromising member coverage. "This is a good opportunity for our funds to work together to reduce health care costs," Flynn told trustees.

"Now it is up to each of you to take the next step, request a premium equivalent calculation, and if it proves to save your fund and its participants' money - join the Coalition." The first plans have now joined the HCPC, which is jointly trusteeed between the BAC and ICE. Please see the article below on the HCPC.

### **Retiree Health Care**

The 2007 Conference also addressed retiree health care. "There's probably not a health and welfare fund represented here that hasn't grappled with the rising costs of retiree health care," said IU Secretary-Treasurer James Boland. "It's an area of deep concern, even anxiety, for many of our participants, so when we see or hear the word 'solutions' in close proximity to 'retiree health care' - you have our attention." During the last several months, he told attendees, we've been "able to negotiate terms for our retirees and health funds that make the AARP Medicare Supplement Insurance Plan an attractive option." Jean Farone Jones, the Regional Sales Director for United Retiree Solutions, explained the details of the program and the features that have been negotiated for BAC members, including the waiving of individual medical underwriting for groups or members that age into the program, and payment of the first year AARP membership by United HealthCare.

Each year, the Trowel Trades Trust Fund Educational Conference focuses on timely issues like the ones above, as well as reports from IPF's professionals on benefit contributions collections, proxy voting, the BAC S&P Index Fund, new investment opportunities, reciprocity, the Electronic Reciprocal Transfer System and opportunities to prudently invest pension contributions in ways that will serve the purpose of increasing a pension fund's financial security and work opportunities for BAC members and employers.

To request a registration form for the November 2008 conference, please contact Belen Pifel at 202-457-9040.

[Back to top.](#)

## Specialty Construction Legislative Conference

This year's Specialty Construction Legislative Conference held in partnership with other broad sector industry groups, including the International Foundation of Employee Benefit Plans (IFEBC), The Mechanical Contractors Association of America (MCAA), and The Association of Union Constructors (TAUC), played to an enthusiastic group of labor/management benefits plan trustees and employer plan sponsors from around the country May 19 - 20 in Washington, DC.



The program began with a wide-ranging discussion of national political trends by award-winning author and political commentator Ronald Brownstein, who emphasized the unique nature of the current Presidential internet campaigns involving unprecedented participation of newer and younger voters, while also noting some basic similarities in demographic and political dynamics with past campaigns.

***Health & welfare, pension, and apprenticeship, and labor law issues comprised first-day agenda*** - Crucial issues relating to the future of health & welfare and pension plans sponsored by employer participants took center stage at the conference on Monday morning, May 19th. Policy-makers from Capitol Hill and legislative staff for key lawmakers offered a broad range of well-informed discussion of the long term trends in national health & welfare and pension plan policy-making, all crucial points of perspective for the contractor sponsors of those plans in the construction industry. The conference also received a presentation on the new proposed Federal apprenticeship program regulations from Thomas E. Hartnett, chair of the Labor Departments Federal committee on Apprenticeship and Dana C. Daugherty, Deputy Administrator of the Labor Department's Office of Apprenticeship. Participants raised concerns about the newly proposed registration regulations and their impact on industry recruitment and the likely effects on established jointly administered and registered building and construction industry plans, as well as matters relating to apprenticeship day school administration. After that, the conference considered recent broad labor and employment law changes, presented by John Ring, a partner in the Washington, DC labor law firm Morgan, Lewis and

Bockius. Additionally, speculation was raised about political trends and attendant policy changes after the general election in November, including the impact of the proposed Employee Free Choice Act and its effect on construction industry pre-hire collective bargaining agreements and benefit plans. On Tuesday morning, the program lead off with an insightful discussion of national retirement savings issues from the well-established industry expert Dallas L. Salisbury, President and CEO of the Employee Benefits Research Institute in Washington, DC.

***MCAA/ICE/TAUC Lobbying Issues*** - On May 20th, MCAA, ICE, and TAUC convened separately with key lawmakers on specific legislative measures currently moving on the hill.

***Procurement reforms*** - New York Representative Carolyn Maloney (D-14-NY) (pictured) opened the issues sessions with a spirited discussion of construction procurement reform issues, including the Contractors and Federal Spending Accountability Act (H.R. 3033, and S. 2904) recently passed by the House and moving now in the senate on two legislative measures. Representative Maloney also pledged to continue to work with the group on a more detailed set of procurement reforms.

***Independent Contractor misclassification abuses targeted on the Hill*** - Washington Representative Jim McDermott (D-7-WA) was next up on the program, laying out the details of the bill he introduced in April, the Taxpayer Responsibility, Accountability and Consistency Act (similar to S. 2044, the Independent Contractor Proper Classification Act) to finally stem one of the worst abuses confronting the construction industry and the taxpayers, arising from abusive misclassification of workers as independent contractors. Representative McDermott, a high-ranking majority member of the influential House Ways and Means Committee, acknowledged the long-standing support MCAA/ICE/TAUC and other allied specialty construction industry groups have given to legislative reforms of this key workforce standards issue going back to reform proposal in the mid-1990s.

***Fiscal issues and industry stimulus measures*** - Next, House Ways and Means Committee majority member, Representative Bill Pascrell (D-8-NJ) addressed the group, focusing on the likely, but lingering, repeal of the 3% public contract tax withholding measure enacted in 2006 and set for implementation in 2011. Participants also pressed Representative Pascrell on issues relating to preserving and strengthening Davis Bacon/prevailing wage.

***Helmets-to-Hardhats funding pushed*** - Darrell Roberts, Executive Director of the national military and veteran construction industry workforce recruiting program, Helmets-to-Hardhats (H2H), addressed the group and described the steady and sustained progress the program has made in its first five years with support from Defense

Department funding. Roberts described new aspects of the program in the past year, including expanded outreach to more military bases, the Wounded Warrior recruiting/outreach program and beginning efforts to expand the H2H outreach to military spouses and families. Roberts then introduced Representative Peter Roskam from Illinois (R-6-IL), an ardent supporter of the program. Congressman Roskam gave a detailed account of recent Congressional trips to Iraq and pledged strong support for the H2H funding this year in Congress.

***Lobbying meetings gain supporters*** - Significant progress on all these issues was again marked in individual lawmaker meetings, with co-sponsorship gains and support pledged on all these issues in lawmaker visits. For example, Senator Johnny Isakson (R-GA) signed on to the 3% repeal bill, and various offices promised to look into H2H funding support, backing expanded procurement reform measures and finally pushing for long-overdue remedial measures to stem the tax gaps relating to independent contractor misclassification abuses.

***Mark your calendars now - May 11-13, 2009*** - Plans are already being laid for an expanded conference next year, May 11-13. Additional information and updates will be included in future newsletters.

[Back to top.](#)

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On April 1st, the first fund came on board with the new BAC Health Care Purchasing Coalition (HCPC). Now, fully operational, the jointly BAC/ICE trustee HCPC offers BAC funds a solution to the health care issues facing their funds and participants due to rising costs.

In addition to providing funds with an opportunity to use their collective strength to control rising health care costs, the BAC HCPC offers participating funds much more:

### **Bargaining power to negotiate vendors' fees.**

**Access** to the networks with the deepest discounts and largest number of the medical providers.

**Lower risk** by reducing the amount of reserves that are needed for stability, while allowing the Local Trust Funds to remain in **control** by holding their own assets and determining eligibility, and to have **choices** through a large number of benefit plan design options.

Why should your health and welfare fund ask for a quote and give serious consideration to the BAC HCPC? There are several important reasons, not the least of which are that fund trustees have a fiduciary duty to do what is best for their fund and its participants, and this is an opportunity to work together to solve a problem we all face.

If you'd like additional information, including background, a description of the Fund's and the HCPC's roles, answers to commonly asked questions, and the data the HCPC will need to prepare a quote for your fund, please contact HCPC Executive Director Anne Codd at [bachcpc@bacweb.org](mailto:bachcpc@bacweb.org).

[Back to top.](#)

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BAC formed the Captive so that its signatory contractors can capitalize on the superior training of their employees and their risk management programs. The goal of Trowel Trades is to lower your insurance costs, improve your competitiveness, and improve the quality of life for your valued employees. Other benefits include building equity in your insurance program, the ability to access high quality service partners, and the long term stability of Trowel Trades. The program's success relies on its Union contractor members: contact your insurance broker, maintain a safe workplace, and encourage other Union contractors with a similar emphasis on safety and risk management to join. To enrol, contact your insurance broker and ask them to contact Garnet Captive; Garnet Captive will then contact you to conduct a Risk Assessment phone call. Learn more by visiting [www.troweltradescaptive.com](http://www.troweltradescaptive.com).

[Back to top.](#)

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