

LETTER OF AGREEMENT

TO CONTRACT EFFECTIVE JULY 1, 2017 THROUGH JUNE 30, 2019

by and between

THE STATE OF MONTANA

and

INTERNATIONAL ASSOCIATION OF MACHINISTS DISTRICTW24, Local #86
DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

This Letter of Agreement ("Agreement"), entered into the 8th day of November 2017, by and between the State of Montana, Department of Public Health and Human Services, hereinafter referred to as "Employer", and International Association Of Machinists District Lodge #86, hereinafter referred to as "Union", shall be considered as an addendum to and by reference herein, incorporated as part of the Labor Agreement executed by Employer and Union, entitled "Warm Springs Craft Council".

A. Effective the first full pay period following execution of the letter of agreement, for as long as this Agreement remains unamended and unterminated, the Employer shall forward to the IAM National Pension Fund Employer contributions in the amount of \$1.75 (one dollar and seventy-five cents) for the period February 3, 2018 through June 30, 2019 per compensable hour of employment for each Machinist Bargaining Unit employee.

B. Contributions forwarded to the IAM National Pension Fund as set forth in this Agreement, are so forwarded in recognition that the State of Montana and the members of the affiliated Union agree:

1. The IAM National Pension Fund asserts that it is a non-contributory plan that will not accept employee contributions.

2. The statutory law of Montana permits the Employer to make contributions for members of a bargaining unit pursuant to a collective bargaining agreement involving a multiemployer pension plan qualified by the Internal Revenue Service. These Employer contributions are not considered as wages for purposes of computing the Employer or employee contributions to the mandatory Public Employees Retirement System, or for computing gross income for Federal and State Income Tax purposes as long as making such computations in this manner remains lawful.

3. The State of Montana is a public employer.

4. The bargaining unit employees have ratified the Prior Agreements, and therefore, as a condition of initial and continued employment, all affected employees must execute any forms required by the Employer in order to participate in the plan. Failure or refusal of the employee to execute any required forms shall be cause for immediate discharge. The Union agrees to indemnify, defend, and hold the Employer harmless against any and all claims, suits, orders, or judgments brought or issued against the Employer as a result of any action taken or not taken by the Employer under this provision. Any employee forms that were prepared pursuant to the Prior Agreement and that are not appropriate under the Agreement shall be considered rescinded.

5. Nothing contained in this or any other agreement or document precludes or prejudices the rights of the Employer from asserting that it has no liabilities under the provisions the Employee Retirement Income Security Act (ERISA) or other applicable laws, rules or regulations, in the event of a partial or complete withdrawal or termination of the IAM National Pension Fund or for the insolvency of such fund, including any such assertions that may be made under Section 414(h) of the I.R.S. Code as have been made in the past.

C. The Employer shall forward contributions for collection periods consisting of each two consecutive payroll periods (four calendar weeks) of the Employer. The total amount due for each collection period shall be remitted in lump sum by the 20th day of the month following the end of each collection period. It is understood and agreed that the calendar year for the collections shall begin with the first day of the first full payroll period of January each year.

D. In compliance with state or federal laws and regulations, the Employer agrees to sign a pension participation agreement and other forms or documents (as furnished by the Union) that may be necessary to effectuate and continue in existence the pension plan, to abide by such rules as may be established by the trustees of said trust fund to facilitate the determination of the hours for which contributions are due, the prompt and orderly collection of such accounts, and the accurate reporting and recording of such amounts paid on account of such employee of the bargaining unit.

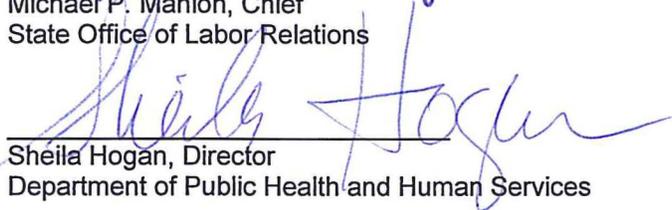
E. This Agreement is premised on the assumption that it is in compliance with Montana State Statutes and applicable federal pension laws as interpreted by the state or federal courts and the Pension Benefit Guaranty Corporation. If competent legal authority determines that this Amended Agreement is not consonant with such laws, the parties shall attempt to meet to discuss any problems resulting from terminating this Agreement prior to any such termination by the State.

DATED this 3rd day of November 2017.

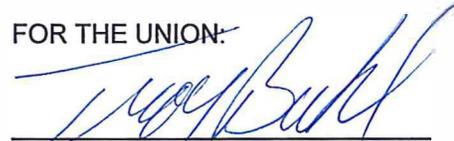
FOR THE EMPLOYER:



Michael P. Manion, Chief
State Office of Labor Relations


Sheila Hogan, Director
Department of Public Health and Human Services

FOR THE UNION:



Troy Buhl, Business Representative
IAM District W24, Local #86