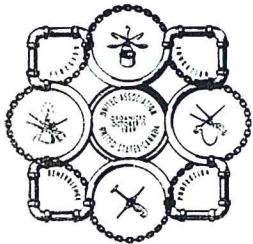




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April 15, 2016

Maintaining the integrity of the Refrigeration Workers Health and Welfare plan is of paramount importance to the plan Trustees.

We review the overall performance of the plan quarterly to insure that 516 members have the best possible benefits available on an ongoing basis. This latest review has shown an area that needs improvement; self-pay members.

By and large Local 516 has very little unemployment with the large majority of members working full time and are therefore able to maintain their benefits. For members who face work shortages or are in school during the course of their apprenticeship, there is self-pay provision better known as a shortage notice. The intent of the self-pay provision is to provide benefits on an ongoing basis to *dispatched* 516 members and temporarily out of work, laid-off, sick or injured members.

It has become increasingly difficult with the increase of membership over the years to know exactly where *all* of our members are working unless they are currently dispatched to Union contractors.

Benefits provide employers with a tool to attract and keep skilled union tradespeople. When non-union employers seek and lure away trained 516 members, whether in refrigeration or any other occupation, the union benefit plan becomes a tool for the non-union. It subsidizes the bottom line of the non-union employer because of the members' ability to self-pay and partake in such a well-established plan. This practice is inherently self-defeating and ultimately detrimental to the plan.

Effective June 1, 2016, the cash pay provision (shortage notices) is restricted to dispatched 516 members or you must have your name on the out-of-work board and actively seeking employment from a 516 contractor. Refusal of a dispatch is grounds for plan termination.

Fraternally yours,

Trustees of the Refrigeration Workers Health & Welfare Plan