

Realty Advisory Board on Labor Relations, Incorporated

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BULLETIN

Bulletin No. 14 (Contractor)

January 9, 2012

To: Owners and Managing Agents of Commercial Buildings

Subject: 2012 Contractor's Agreement

The Realty Advisory Board on Labor Relations, Inc. ("RAB") and SEIU Local 32BJ ("Union") have reached agreement on the terms of the 2012 Contractor's Agreement ("Agreement") which extends the current Agreement with the following modifications: (This Agreement has been approved by the RAB Board of Directors, and is subject to ratification by the Union's membership.):

TERM: The Agreement shall be effective as of January 1, 2012 and shall expire on December 31, 2015.

WAGE INCREASES:

(a) OTHERS AND GUARDS:

- (1) Effective January 1, 2012 - \$0.00 per week (\$0.00 per hour).
- (2) Effective January 1, 2013 - \$13.00 per week (\$.325 per hour).
- (3) Effective January 1, 2014 - \$18.00 per week (\$.45 per hour).
- (4) Effective January 1, 2015 - \$20.00 per week (\$.50 per hour).

(b) HANDYPERSONS, STARTERS, FOREPERSONS:

- (1) Effective January 1, 2012 - \$0.00 per week (\$0.00 per hour).
- (2) Effective January 1, 2013 - \$15.00 per week (\$.375 per hour).
- (3) Effective January 1, 2014 - \$20.00 per week (\$.50 per hour).
- (4) Effective January 1, 2015 - \$22.00 per week (\$.55 per hour).

(c) SUPERINTENDENTS (FORMERLY LOCAL 164):

- (1) Effective January 1, 2012 - \$00.00 per week (\$.00 per hour).
- (2) Effective January 1, 2013 - \$17.00 per week (\$.425 per hour).
- (3) Effective January 1, 2014 - \$22.00 per week (\$.55 per hour).
- (4) Effective January 1, 2015 - \$24.00 per week (\$.60 per hour).

Howard I. Rothschild
President

Proskauer Rose LLP
General Counsel

BONUSES

All regular employees shall receive a bonus of \$600 the first pay period following the Union membership's ratification of the Agreement after notice to the RAB. This is likely to occur at the end of January 2012. All regular employees who are employed as of July 1, 2013 shall receive a bonus of \$500. These sums shall be subject to applicable taxes, withholdings and deductions.

FUND INCREASES:

HEALTH FUND

- (1) Effective January 1, 2012 - \$11.00 per week to \$13,442.64 per year.
- (2) Effective January 1, 2013 - \$11.00 per week to \$14,014.64 per year.
- (3) Effective January 1, 2014 - \$15.00 per week to \$14,794.64 per year.
- (4) Effective January 1, 2015 - \$15.00 per week to \$15,574.64 per year.

PENSION FUND

- (1) Effective January 1, 2012 - \$4.00 per week to \$86.75 per week.
- (2) Effective January 1, 2013 - \$4.00 per week to \$90.75 per week.
- (3) Effective January 1, 2014 - \$4.00 per week to \$94.75 per week.
- (4) Effective January 1, 2015 - \$4.00 per week to \$98.75 per week.

ANNUITY FUND

No change in the current contribution.

LEGAL FUND

The Legal Fund contribution shall remain \$199.60 per year in 2012 and 2013. In 2014 the contribution shall be reduced to \$43.60. In 2015 the contribution shall be increased to \$199.60.

TRAINING FUND

The Training Fund contribution shall remain \$169.60 per year of the contract.

NEWLY HIRED EMPLOYEES:

All "Newly Hired" "Others and "Guards" starting employment after January 1, 2012, shall be paid a minimum rate of 75% for the first 21 months of employment and 85% for the second 21 months of employment. Employees currently receiving the 80% rate shall continue to receive that rate for up to 30 months of employment.

NEW DEVELOPMENT COMMITTEE

The parties established a new committee to strengthen communities and enhance the economy for the successful development of New York City. This committee will focus on wage and benefit standards in newly constructed buildings. The committee shall be comprised of an equal number of participants appointed by the RAB, and by the Union. Employees shall not be eligible for weekend premium pay and AB time in New Developments.

HEALTH FUND SAVINGS COMMITTEE:

The parties agreed to continue the Health Fund Savings Committee to make recommendations to the Trustees to take any and all legal action to implement savings, and to preserve at least six months reserves in the Health Fund. The Committee shall meet regularly to review expenditures and trends, to evaluate and consider best practices and developments in cost-effective methods in a value based health-care model.

In addition to the Committee the parties agreed to suspend the Maintenance of Benefits Clause during the term of the Agreement. As a result, the Health Fund contributions listed above are a maximum cost for the Employer and not subject to increases in the event that the contributions are insufficient.

VETERANS ASSISTANCE COMMITTEE:

This committee will focus on assisting military veterans to make a successful transition into the civilian workforce by increasing the industry's advertising and recruitment efforts, encouraging veterans to apply for jobs in the industry, communicating with the industry about the benefits associated with hiring veterans, and providing veterans access to training through the Thomas Shortman Training School.

DISCRIMINATION Protocol

Following the RAB's successful litigation before the United States Supreme Court in 14 Pern Plaza, the parties have agreed to insert a new protocol into the Agreement requiring employees to pursue statutory discrimination claims in mediation, instead of litigation in court. Many Employers have already taken advantage of this system under a prior agreement outside the four corners of the Agreement. This protocol establishes the Protocol as part of the Agreement. Any action that is not resolved in mediation may be brought to binding arbitration.

JOINT INDUSTRY ADVANCEMENT PROJECT:

In order to advance the interests of the Union and the real estate industry, this committee will meet and discuss the creation of a favorable business environment for real estate employers and to provide enhanced job opportunities, strengthen the economy and provide a path for a viable future of New York City. The Committee will meet at least quarterly, providing education, research and publicity for enhancing job growth of the industry.

TRANSFER NOTIFICATION

Within 14 days of written notification of account cancellation, the Contractor shall notify the Union of the account location, a list of employees, their wage rates, their dates of hire, building seniority list, number of sick and vacation days used and remaining. The Union shall provide this list to the incoming contractor/employer within 5 days of its receipt of the notice.

MUTUAL OBLIGATIONS

Airports and retail stores are now covered, and are subject to individual negotiations with the Union. In addition, Pittsburgh, Allegheny County, PA and Delaware are included in listed areas of the agreement.

ADDITIONAL CHANGES:

The parties agreed to other changes of a technical nature which will appear in the Agreement that will be sent to you as soon as it is available.

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