

NOTICE TO IATSE MEMBERS WORKING UNDER IATSE AGREEMENTS

The following are the rules and policies to be applied by the IATSE and affiliated locals in connection with Financial Core Status:

1) The term Financial Core Status refers to a person who works under a collective bargaining agreement which contains a union shop provision that obligates such person to pay initiation fees and dues to the union after thirty days of employment and applies to (a) a member who resigns and who is obligated to pay initiation fees and dues or (b) a person entering employment who elects not to become a member of the union but is obligated to pay initiation fees and dues.

2) An employee who takes Financial Core Status is obligated under the terms of the collective bargaining agreement to pay initiation fees and dues, including work dues, to the union subject to a reduction for fees and dues used by the union for political or ideological objectives.

3) A member who makes a written request for Financial Core Status is deemed to have resigned from membership and by doing so will have no rights of membership (as distinguished from employment rights). Among other things, such person will not have the right to attend membership meetings, to run for office, to vote in union elections, to participate in formulation of bargaining proposals and ratification votes. However, so long as the person continues to pay his or her financial obligations to the union, he or she has the right to continue employment and to be represented by the union under the collective bargaining agreement the same as a union member. A person who takes Financial Core Status and later wishes to re-join the union will have to apply for membership and will be treated as a new member for all purposes, including initiation fees, unless there is a waiver or a special fee for readmission.

4) There is an exception to the requirement that a person with Financial Core Status pay the same dues as members. By reason of the U.S. Supreme Court case, *Beck vs. CWA*, a person with Financial Core Status is only obligated to pay that share of union dues that is chargeable for the cost of union administration, collective bargaining, contract representation and to matters that are germane to representation. Expenses involving political, social and ideological matters are not chargeable.

5) The union will break down its expenses into those items which are chargeable and not chargeable to Financial Core Status employees by a special audit by a certified public accountant.

6) The IATSE will provide to each IATSE member at least once a year through the IATSE Bulletin the IATSE financial core policy which will constitute notice to members working under collective bargaining agreements with a union security clause of the right to take Financial Core Status and be in compliance with the applicable union security clause. An employee not a member who is required to comply with a union security clause shall be informed at the time of application for membership that he or she may take Financial Core Status in place of union membership and be in compliance with the applicable union security clause. Upon request, the

union will provide to a member or person applying for Financial Core Status the most recent audit by the independent accounting firm as to the chargeable and non-chargeable expenditures of the union and how the percentage of dues to be paid was determined.

7) A person who requests Financial Core Status may choose to pay the full amount of the regular dues and in that case he or she will be charged the full amount. Any member who takes Financial Core Status or an employee who is required to fulfill financial obligations under the union security clause who desires to only pay the amount of dues that are chargeable to a Financial Core Status employee must notify the union in writing that he or she does not desire to pay the full amount of union dues. Such written request must be signed by such Financial Core Status person. The reduction of dues will take effect in the next dues period after such notice is received by the union.

8) A Financial Core Status person may within thirty (30) days after taking Financial Core Status or after receiving the audit statement, file a written objection to any of the items of the expenditures breakdown or to the percentage of the dues that the union has determined must be paid. Such objections must be in writing and signed by the person filing the objection. If the union does not agree with the objection either as to the expenditures or as to the percentage amount of dues to be paid, then the union will notify the Financial Core Status person, objecting in writing that such person has ten days to request arbitration; and if he or she fails to do so within that time by a written notice, then such person waives the right to arbitration.

9) If more than one Financial Core Status person requests arbitration, the union will consolidate all such objections into one arbitration proceeding. The union will provide an impartial arbitration proceeding through the American Arbitration Association and will pay the administrative costs and the arbitrator's fees.

10) The union will open an interest bearing, separate and identifiable escrow account, if there are any objecting Financial Core Status persons. Any portion of dues that is received by the union on behalf of a Financial Core Status person that is in dispute will be placed in such escrow account.

11) The President of the IATSE or his designee shall administer the policy in a manner that is consistent with the objectives of the policy and the applicable federal law to provide a fair and equitable procedure regarding Financial Core Status persons. The President or his designee shall have the authority to determine the amount of the reduction of dues for each fiscal year. For a local union, the chief administrative officer shall have such responsibilities.

12) This policy shall be deemed to be automatically amended to conform with applicable federal laws.