

TEAMSTERS LOCAL 705

NOTICE TO ALL NON-MEMBER OBJECTORS IN PRIVATE SECTOR EMPLOYMENT

This Notice is provided in accordance with the decisions of the United States Supreme Court in NLRB v. General Motors Corporation and Communication Workers of America v Beck, as well. The purpose of this Notice is to advise all persons employed within a bargaining unit represented by Teamsters Local 705 ("Local 705"), and under a collective bargaining agreement requiring the payment of dues or fees as a condition of employment, of: (1) their right to join the Union or to become a "financial-core" member; (2) their right as a "financial-core" member to object to the payment of that portion of membership dues that is related to nonrepresentational expenses of the Union; and (3) the procedures that must be followed to file an objection and receive financial information regarding that portion of dues determined by the Union to be related to representational and nonrepresentational expenses.

Under the federal law you have the right to join the Union as a full-fledged member or to become a financial-core member of the bargaining unit. Financial-core members are not members of the Union and therefore are not afforded the many benefits associated with Union membership. For example, financial-core members may not attend Union meetings, participate in the ratification of collective bargaining agreements, elect Union officers, or be eligible for other benefits available only to members and their families such as discount programs with various vendors and educational scholarships. However, financial-core members do receive the benefits of the Union's representation as it relates to the terms and conditions of employment. As such, the law provides that financial-core members must pay a fee in an amount at least equal to the Union's representational services to fulfill their obligations under a Union security provision of a collective bargaining agreement. Such services include the Union's activities related to collective bargaining, contract administration and grievance-arbitration.

Individuals who elect not to join the Union and to become a financial-core member have the right to object to paying for Union activities not germane to the Union's duties as the bargaining representative and to pay only the pro-rata portion of membership dues associated with representational expenses. This pro-rata portion is referred to as a fair share or financial-core. The categories of expenses which are chargeable to financial-core members, the categories of nonchargeable expenses and the actual calculation of chargeable and nonchargeable expenses of Teamsters Local 705 are set forth below:

CATEGORIES OF CHARGEABLE AND NON-CHARGEABLE EXPENSES

The fair share fee includes your pro rata share of the costs of the following activities of Teamsters International, Teamsters Joint Council 25 and Teamsters Local 705:

1. Gathering information in preparation for the negotiation of collective bargaining agreements.
2. Gathering information from employees concerning collective bargaining positions.
3. Negotiating collective bargaining agreements.
4. Administration of ballot procedures on the ratification of negotiated agreements.
5. The public advertising of Teamsters' positions on the negotiations, ratification or implementation of collective bargaining agreements.
6. Lobbying for the negotiation, ratification or implementation of a collective bargaining agreement.

7. Adjusting grievances pursuant to the provisions of collective bargaining agreements, enforcing collective bargaining agreements and representing employees in proceedings under civil service laws or regulations.

8. Purchasing books, reports and advance sheets used in negotiating and administering collective bargaining agreements, and processing grievances.

9. Paying technicians in labor law, economics and other subjects for services used in negotiating and administering collective bargaining agreements, and processing grievances.

10. Defending against efforts by other unions or organizing committees to gain representation rights in units represented by Teamsters.

11. Membership meetings and conventions held at least in part to determine the position of employees on collective bargaining issues, contract administration and other matters affecting wages, hours and working conditions, including costs of sending representatives to such meetings and conventions.

12. Internal communications which concern collective bargaining issues, contract administration, public employment generally, employee development, unemployment, job opportunities, award programs and other matters affecting wages, hours and working conditions.

13. Impasse procedures, including fact-finding, mediation, arbitration, strikes, slow-downs and work stoppages, over provisions of collective bargaining agreements and the administration thereof, so long as they are legal under state law. These costs may include preparation for strikes, slow downs, and work stoppages regardless of their legality under state law, so long as no illegal conduct actually occurs.

14. The prosecution or defense of arbitration, litigation or charges to obtain ratification, interpretation, implementation or enforcement of collective bargaining agreements and any other litigation before agencies or in the courts which concern bargaining unit employees which is normally conducted by an exclusive representative.

In addition, your fair share fee includes your pro rata share of the expense associated with the following activities which are chargeable to the extent that they are germane to collective bargaining activity, are justified by the government's vital policy interest in labor peace and avoiding free-riders, and do not significantly add to the burdening of free speech that is inherent in the allowance of an agency or union shop:

15. Services provided by a parent organization to other bargaining units, which are provided from a pool of resources available to all units, and may ultimately inure to the benefit of the members of the local bargaining unit.

16. Purchasing books, reports and advance sheets used in activities or for purposes other than negotiating collective bargaining agreements and processing grievances.

17. Paying technicians in labor law, economics and other subjects for services used in activities other than negotiating, implementing and administering collective bargaining agreements and processing grievances.

18. Supporting and paying affiliation fees to other labor organizations which do not negotiate a collective bargaining agreement governing the fair share fee payer's employment.

19. Membership meetings and conventions held for purposes other than to determine the positions of employees on collective bargaining issues, contract grievance adjustment or other matters affecting wages, hours and working conditions.

20. Internal communications which concern subjects other than collective bargaining issues, contract administration, public employment and generally employee development, unemployment, job opportunities, award programs or other matters affecting wages, hours and working conditions.

21. Organizing within the bargaining unit in which fair share fee payers are employed.

22. Organizing employees from other bargaining units.

23. Seeking to gain representation rights in units not represented by Teamsters, including units where there is an existing designated representative.

24. Prosecution or defense of arbitration, litigation or charges involving matters other than the ratification interpretation, implementation or enforcement of collective bargaining agreement, or which relates to the maintenance of the union's association or corporate existence.

25. Lobbying for purposes other than the negotiations, ratification or implementation of a collective bargaining agreement.

26. Social and recreational activities.

27. Payments for insurance, medical care, retirement, disability, death and related benefit plans for union employees, staff and officers.

28. Administrative activities and expenses allocable to Teamsters' activities and expense for which fair share fee payers are charged.

Expenses associated with the following activities are not charged to fee payers in this calculation.

29. Training and voter registration, get-out-the-vote, and political campaign techniques.

30. Supporting and contributing to charitable organizations.

31. Supporting and contributing to political organizations and candidates for public office.

32. Supporting and contributing to ideological causes.

33. Supporting and contributing to international affairs.

34. The public advertising of Teamsters position on issues other than negotiations, ratification, or implementation of a collective bargaining agreement.

35. Member-only benefits.

TEAMSTERS FAIR SHARE FEE

Applying these categories of chargeable and nonchargeable expenses to the activities and undertakings of Teamsters International, Teamsters Joint Council 25 and Teamsters Local 705 for the most recent periods for which audited financial expenses are available, it was determined that **90.16%** of the expenses of the union were chargeable to financial-core members who file an objection. Financial-core members pay **87.91%** of the appropriate monthly dues rate charged to Teamsters Local 705 members, which is either: 1) 2.5 times the hourly wage rate of an employee earning \$11.00 per hour or more, or 2) two times the hourly wage rate of an employee earning less than \$11.00 per hour objectors. This fair share fee will be effective for the period March 1, 2019 to December 31, 2019.

The fair share fee is based upon the following audited financial information. This financial information sets forth the expenditures for all three entities in major categories of expenditures audited by independent

accountants. The following schedules detail the portions of total audited expenditures which are chargeable to fair share fee payers.

- International Brotherhood of Teamsters Consolidated Statement of Expenses and Allocation of Expenses Between chargeable and nonchargeable Expenses. Revised Calculation Year Ended December 31, 2014.
- Teamsters Joint Council No. 25 Statement of Expenses and Allocation of Expenses Between chargeable and nonchargeable Expenses Modified Cash Basis Year Ended December 31, 2016.
- Teamsters Local Union No. 705 Schedule of Expenses and Allocation of Expenses Between Chargeable and Non-Chargeable Expenses – Modified Cash Basis For the Year Ended December 31, 2016.

PROCEDURE FOR CHALLENGING THE FAIR SHARE FEE

Teamsters Local 705 has established the following procedure for objectors who wish to challenge the foregoing calculation and the amount of the fair share fee. Please Read This Carefully. **You Must Comply With These Procedures In Order To Challenge The Fair Share Fee.**

Objectors who wish to challenge the calculation of chargeable expenses and the amount of the fair share fee set forth in this Notice must do so individually and in writing. The written challenge must include the challenger's name, address, social security number, job title, employer, employing agency or department and work location.

The written challenge must be sent to Teamsters Local 705 by mail, post marked no later than 30 days from the date of this notice to the following address:

**Agency Fee Administrator
Teamsters Local 705
1645 W. Jackson Blvd.
7th Floor,
Chicago, IL 600612**

Teamsters 705 has an established an arbitration procedure for resolving challenges to the calculation and the amount of the fair share fee. This procedure will result in an expeditious decision on the challenge by an impartial decision maker. The decision maker will be an arbitrator selected by the American Arbitration Association pursuant to the Rules of the American Arbitration Association governing fair share cases. The union will have the burden of proving that the fair share fee is proper. Challengers will have a chance to appear before the arbitrator to state their objections to the fair share fee. The arbitrator will issue a decision regarding challenges to the calculation and the amount of the fair share fee ninety (90) days after submission of final argument regarding the amount of the fee. Challengers will receive information regarding the procedure upon the union's receipt of their challenge.

Upon receipt of a written challenge Teamsters Local 705 will deposit, in an interest-bearing escrow account, 100% of the fair share fees paid by the challenger pending resolution of their challenge. The fair share fee shall remain in escrow until the arbitration award and shall be distributed along with accrued interest, pursuant to the arbitrator's ruling.