



DUAL BENEFIT REIMBURSEMENT FORM

Open-shop contractors may request reimbursement from Seattle Public Schools (SPS) for the cost a contractor pays into a qualified employer-sponsored benefit plan on behalf of their core workers on an SPS project covered by the Student & Community Workforce Agreement (SCWA). A qualified plan is one with equal or better benefits and is evaluated and approved by the SPS SCWA Advisor prior to approving your reimbursement.

The purpose of this reimbursement is to reduce duplicative payments that are otherwise required by the contractor by the SCWA. The SCWA requires the contractor pay into a union trust fund for core workers. For additional detail, please see the policy on the following pages of this form.

We recommend that you first seek confirmation that your own benefit plan qualifies for reimbursement, as the qualifications can be more stringent than some open-shop benefit plans provide. You may email Oswaldo.Guel@seattle.gov for assistance in receiving a determination.

**Return this form to the SPS SCWA Advisor
Unless otherwise noted: *Oswaldo.guel@seattle.gov***

SUBMITTAL DATE:

SPS PROJECT TITLE:

YOUR CONTRACTOR NAME:

YOUR CONTACT (person THE SPS SCWA ADVISOR can call with questions about the request):

Name

Phone number:

To request reimbursement:

- Fill out this form
- Create an invoice for the amount requested and address to OSVALDO.GUEL@SEATTLE.GOV
- Attach all required verification as noted below
- Submit to email designated above for approval.

SPS Dual Benefits Reimbursement

Month	Name of worker(s) for whom your company seeks reimbursement:	Total hours worked by employee in designated month	Hours worked on CWA project in designated month	Monthly Rate (% hours worked on CWA project)	Monthly employer-sponsored benefit cost	Amount requested for reimbursement
<i>August</i>	<i>John Doe</i>	<i>180</i>	<i>90</i>	<i>.5</i>	<i>\$800</i>	<i>\$400</i>

Required Verification

Please provide the following documentation. A request cannot be processed until documentation in each of these categories is received.

1. **Invoice:** Attach a copy of an invoice for the reimbursement amount you are requesting.
2. **Proof of coverage:** Attach a copy of employer-sponsored benefit plan(s) which provides proof of coverage for usual benefits.
3. **Proof of coverage 90 days prior to work on CWA project:** Attach documentation showing that the named core workers received employer-sponsored benefits within the last 90 days prior to the contractor’s work on the SCWA project.
4. **Proof of current coverage:** Attach documentation showing that these employees are continuing to receive employer-sponsored benefits during the time for which reimbursement is being requested.
5. **Proof of payment to employer-sponsored plan:** Attach documentation (copy of check, bank draft, receipt, etc.) showing the total amount paid into the employer-sponsored plan and the amount paid on behalf of each such worker. Only submit documentation for the time during which reimbursement is being requested.
6. **Proof of payment to union trust fund:** Attach documentation (copy of check, bank draft, receipt, etc.) showing the total amount paid into the union trust fund and the amount paid on behalf of each employee (this is commonly found on the union trust remittance form). Only submit documentation for the time which reimbursement is being requested.
7. **Payment record from union trust fund:** Confirmation of payment acceptance from the union trust fund on behalf of each employee for the time period for which reimbursement is being requested.

Applicability:

Open-Shop contractors (of any tier) may qualify for reimbursement of “usual benefits” paid to their Core Workers (maximum of 3 journey and 2 apprentices), if the SCWA mandated benefit payment duplicates the Contractor’s own established and irrevocable benefit program.

Background

Seattle Public Schools seeks to mitigate the unique costs that fall upon an open-shop contractor as a result of the Student and Community Workforce Agreement (SCWA). The intent is to ensure a fair and competitive bid environment with a level playing field, regardless of a contractor's union affiliation.

The SCWA requires that the open-shop contractor pay to the Union Trust certain worker benefits. When the contractor is open-shop and brings a core-worker, there may be a duplication in the cost for that core worker. The contractor may request reimbursement of the employer-sponsored benefit plan costs incurred; SPS shall review the request and, if approved, reimburse the contractor.

Detail

The State Department of Labor & Industries (LNI) publishes prevailing wages that already requires every Contractor to pay workers certain "usual benefits" such as health care, retirement, and vacation. These are termed "usual benefits."

Some contractors pay these "usual benefits" in cash instead of through an employer-sponsored plan, program or trust. If the employer offers this through their own pre-established benefit plan that is not revocable for the short duration that a worker may serve inside the SCWA, it would necessarily require the contractor pay for both such plans.

This dual payment, for dual-coverage of health care and/or retirement fund, is a cost that SPS will reimburse back to the contractor. The reimbursement amount is limited to the portion of the cost actually incurred by an open-shop, and only for a maximum of their 5 workers who they bring as core workers to the project.

When preparing a bid, the Contractor should therefore not include the reimbursable employer-sponsored benefit costs in their bid price, since the reimbursement will eliminate the cost impact and including the cost in the contractor's bid would unnecessarily inflate their bid price and limit their competitiveness.

State of Washington,
Department of Labor
& Industries

The health and retirement benefits for workers defined in WAC 296-127- 014

- (a) Health and welfare payments. This is medical insurance, which may include dental, vision, and life insurance. Insurance programs providing protection against industrial accidents or occupational illnesses which are mandated by state or federal statutes, and all related mandatory forms of protection, shall not qualify as health and welfare insurance.
- (b) Employer payments on behalf of a person employed for the purpose of providing retirement income.
- (c) Vacation payments made either directly to the employees or into a vacation fund, provided these benefits are paid to the employees.
- (d) Apprentice training fund. Payments made to training programs approved or recognized by the Washington state apprenticeship and training council.
- (e) Paid holidays. Payments made to employees for specified holidays.

(4) Any fringe benefits required by other local, state, or federal laws do not qualify as "usual benefits."

Dual benefit reimbursement will be limited to:

- costs actually paid by the Contractor in total to the employer-sponsored benefit plan,
- up to the amount paid into the Joint Health and Pension Trust Fund(s) by the contractor per worker,
- for only those hours that the Core Worker(s) was/were employed on the CWA-covered project.

Reimbursement will not include overhead or profit on these direct costs or benefit wages paid on projects not covered by the Community Workforce Agreement.

This is not a change order, but reimbursement for an overlapping cost. Funds will be paid promptly; SPS will approve invoices within 5 business days of receipt of completed and accurate paperwork.

Procedures

1. Contractor submits a completed Dual Benefit Reimbursement Form with supporting documentation to their Prime, who will submit to SPS at least once every 12 months. Prime contractors and subcontractors submit for reimbursement independently from each other.
2. SPS reviews, confirms eligibility using the Dual Benefit Reimbursement Checklist and seeks additional information as necessary.
3. SPS will determine reimbursable costs for the Dual Benefit Reimbursement request based on eligibility. If necessary, SPS will obtain an updated invoice for reimbursable costs from the contractor.
4. Once approved, SPS staff will email the invoice and notice of approval to staff for payment processing.
5. SPS will keep the contractor updated on payment progress and log the request, amount, WMBE status, dates of review and approval and payment information for SPS record

Eligibility Criteria

The contractor must provide evidence of a comparable benefit plan which the contractor pays into for the core worker(s).

- The employer-sponsored benefits must qualify as a usual benefit, per WAC 296-127-014.
- The worker(s) must meet the core worker definition
- The contractor must provide evidence of payments into the employer-sponsored benefit plan for the core workers for whom they are seeking reimbursement, for at least 90 days before the contractor started work on the CWA project.
- The contractor must have made contributions on behalf of the core worker into the Joint Health and Pension Trust Fund(s) and such fund must have accepted the payment for the eligible worker.

Required Verification

SPS will require of the contractor:

- Proof of coverage for the benefit plan(s).
- Receipts ongoing payments to the employer plan(s) that shows the core worker(s) by name.
- Evidence that the core worker(s) received the benefits 90 days before the contractor started work on the CWA project.
- Evidence of payments that would cover the period for which reimbursement is requested
- Records proving the payment was accepted (e.g., Trust Fund Remittance and copy of check.)