

**UNITE HERE Local 25 and Hotel Association Of Washington, D.C.
Group Legal Services Fund**

911 Ridgebrook Road
Sparks, Maryland 21152-9451
Telephone: (410) 683-6500
(800) 638-2972
www.associated-admin.com

8400 Corporate Drive, Suite 430
Landover, Maryland 20785-2361
Telephone: (301) 459-3020
(800) 638-2972
www.associated-admin.com

Notice of Contribution Increase Effective January 1, 2021

We are contacting you to notify you of an increase in the current contribution amount due the UNITE HERE Local 25 and Hotel Association of Washington, D.C. Group Legal Services Fund (the “Fund”), effective for hours worked on and after January 1, 2021.

Under Section 14.12 of the applicable collective bargaining agreement (the “CBA”), contribution increases are required to maintain the Fund’s reserve levels. Specifically, when the Fund’s reserve falls below the reserve level as of September 15, 2017, contributions are required as necessary to maintain that reserve level, with a maximum contribution increase of \$.0815 per hour. Section 14.12 provides as follows:

14.12 2017-2022 Contribution Increases to the Dental/Optical Fund and Group Legal Fund: If following September 15, 2017, the reserves in either the Dental/Optical Fund or the Legal Fund fall below the levels which exist as of September 15, 2017, the Employer will increase contributions to such Fund(s) by the amount and for the period of time necessary, if any, to maintain reserves at the September 15, 2017 level; provided, however, that total contribution increases to all Fund(s) combined will not exceed \$.0815 per hour during the period of September 15, 2017 through September 15, 2022. The Employer shall begin making any increased contributions necessitated by a decline in reserves below the September 15, 2017 level in the Dental/Optical Fund or the Legal Fund thirty (30) days after receiving written notice that the reserve level of the particular Fund has fallen below the September 15, 2017 reserve level for that Fund.

The Finance Committee for the Fund has completed its analysis of the Fund’s current reserve levels and projected cash flows related to income and expenses. The analysis shows that: 1) the Fund reserves are currently below September 15, 2017 balance levels and 2) even with the maximum \$.0815/hour increase, the Fund’s reserves are expected to remain below the level on September 15, 2017 throughout the remaining term of the CBA (which expires on September 15, 2022) under current assumptions. As a result, Local 25 has informed the Fund that a contribution increase to the Fund of \$.0815/hour is required effective beginning January 1, 2021 and that the increase is expected to remain in effect for the term of the CBA. If the reserve does reach the September 15, 2017 level before the CBA expires, you will be notified that the additional contribution is being discontinued.

The new contribution rate per hour worked by each bargaining unit employees on and after January 1, 2021 is as follows:

- Contribution Rate per Hour Worked: **\$.269**
- Minimum Function Rate: **\$1.345**

Please contact the Fund Anne-Marie Sims at 410-683-7761 or anne-maries@associated-admin.com if you have any questions regarding this correspondence.

Sincerely,

Board of Trustees

UNITE HERE Local 25 and Hotel Association of Washington, D.C. Group Legal Services Fund