

NOTICE TO EMPLOYEES SUBJECT TO IAM SECURITY CLAUSES

Employees working under collective bargaining agreements containing union security clauses are required, as a condition of employment, to pay amounts equal to the union's monthly dues and applicable initiation and reinstatement fees and, for those under the Railway Labor Act, assessments. This is their sole obligation to the union, regardless of the wording of the clauses. Individuals who join the IAM as members pay monthly dues and applicable fees. For individuals who decide not to be members, such amounts represent "agency fees" for their receipt of representation services. In the public sector, nonmembers can elect to pay their fair share of the costs of collective bargaining by paying the agency fees, or they have the right to pay no fees. Initiation refers to the fee that is collected when a member or nonmember first becomes subject to a security clause or begins paying dues or fees. Reinstatement refers to the fee that is collected when a member or nonmember falls two months behind in satisfying their monthly obligation.

Nonmembers also have a right to file objections to funding expenditures that are "nongermane to the collective bargaining process" by following the procedures set forth below. Individuals should be aware that the union security clause contained in their collective bargaining agreement was negotiated by their fellow employees so that everyone who benefits from the collective bargaining process shares in its cost. The working conditions of all bargaining unit employees are improved immeasurably when the union gains higher wages, better health care and pensions, fairness in the disciplinary system, over-time pay, vacations, and many other improvements in working conditions at the bargaining table. And while individuals may choose to meet their financial obligations as nonmember agency fee payers, before electing agency fee payer status, individuals should be aware of the additional benefits of union membership they will give up.

Among the many opportunities available to IAM members are the right to attend and participate in union meetings; the right to nominate and vote for candidates for union office and the right to run for union office; the right to participate in contract ratification and strike votes; the right to participate in the formulation of IAM collective bargaining demands; the right to run for delegate to the International Union convention; the right to participate in the development and formulation of IAM policies; the right to enjoy the benefits provided by the Union Plus Program, including low cost phone service, discounted shopping, low interest credit cards, life insurance, legal and travel services; the right to benefit from the IAM's hardship assistance in times of natural disasters, scholarship opportunities for family members, and access to the IAM's Free College program.

Individuals who nevertheless elect to be nonmember agency fee payers may object to funding expenditures nongermane to the collective bargaining process and support only chargeable activities. Examples of expenditures germane to the collective bargaining process for which objectors may be charged are those made for the negotiation, enforcement, and administration of collective bargaining agreements; meetings with employer and union representatives; proceedings on behalf of workers under the grievance procedure, including arbitration; internal union administration; and litigation related to the above activities. Expenditures from the union's strike fund are chargeable because nonmembers have the same right to strike benefits as members if they meet the applicable requirements.

Expenditures nongermane to the collective bargaining process and, thus, nonchargeable to objectors, are those which are not directly related to collective bargaining such as those made for efforts on behalf of retirees, for general organizing activities; for general community services; for certain affiliation costs; and for legislative activities.

IAM objectors must file objections in accordance with the following procedures:

1. Beginning on November 1, 2021, and ending on November 30, 2021, or during the first 30 days in which an objector is required to pay agency fees to the union, that objector may request that their initiation fee, if applicable, and monthly fee payment be reduced so that they are only bearing the costs of chargeable activities. Agency fee reductions will be based on prior audited

figures of the IAM Grand Lodge and on a sample of prior audited figures from the IAM's District and Local Lodge levels. For the calendar year 2022, the percentage reduction in monthly Grand Lodge per capita payments will be 22.22 percent, plus a 11.12 percent reduction in district lodge per capita and a 21.39 percent reduction in local lodge fees. For objectors represented by TCU/IAM lodges, there will be a reduction during calendar year 2021 of 22.22 percent in Grand Lodge per capita and a reduction of 11.12 percent in the remainder.

2. A request must be in the form of a letter, signed by the objector and sent to the General Secretary-Treasurer of the International Association of Machinists and Aerospace Workers, 9000 Machinists Place, Upper Marlboro, MD 20772-2687, postmarked during the period described in paragraph 1 above. The request shall contain the objector's home address, employer, and local lodge number, if known.
3. Upon receiving a proper request from an objector, the General Secretary-Treasurer shall notify such objector that the request is perfected and provide a summary of major categories of expenditures showing how the reduction is calculated. The Grand Lodge maintains an escrow account that contains sufficient monies to cover any challenges to expenditures that may reasonably be in dispute.
4. Upon receiving the General Secretary-Treasurer's notice of the calculation of chargeable expenditures, an objector shall have 30 days to file a challenge with the General Secretary-Treasurer if the objector has reason to believe that the calculation of chargeable activities is incorrect.
5. If an objector chooses to challenge the calculation of the advance reduction, there shall be an expeditious appeal before an impartial arbitrator chosen through the American Arbitration Association's (AAA) Rules for Impartial Determination of Union Fees.
 - a. Any and all appeals shall be consolidated and submitted to the AAA. The presentation to the arbitrator will be either in writing or at a hearing, as determined by the arbitrator. If a hearing is held, any objector who does not wish to attend, may submit their views in writing by the date of the hearing, or may participate by telephone. If a hearing is not held, the arbitrator will set the dates by which all written submissions will be received and will decide the case based on the evidence submitted.
 - b. The IAM shall pay the costs of the arbitration. Challengers shall bear all other costs in connection with presenting their appeal (travel, witness fees, lost time, etc.). Challengers may, at their expense, be represented by counsel or other representative of their choice.
 - c. A court reporter shall make a transcript of all proceedings before the arbitrator if a hearing is held. The transcript shall then be the official record of the proceedings.
 - d. The union shall bear the burden of justifying their calculations.
 - e. The union shall be bound by the decision of the arbitrator.
6. Objectors may choose to renew their requests for an advance reduction annually in compliance with the above-described procedures, or they may indicate in their letter to the General Secretary-Treasurer that they want their objection to be treated as continuing in nature.
7. A person who was a member of the IAM at the time set forth in paragraph 1, but who subsequently resigns from membership, may request objector status for the remainder of the year. Said former member may, within the first thirty days after the effective date of resignation, write to the IAM General Secretary-Treasurer, as set forth in paragraph 2.