

PART IX: MEMBERSHIP DUES

1. Dues Structure

Only Convention delegates can decide CWA's dues structure. The current per capita was established by the 1979 convention. The per capita to the International is 40 percent of minimum monthly membership dues for each person required to pay dues to a Local.

"...Resolved that effective September 1, 1979, the minimum membership dues payable by each member of the Union per month shall be equal to two hour's pay, based on an hour's pay as determined by dividing the individual member's basic weekly wage by forty hours;"

"...that effective September 1, 1979, every Local shall pay to the International Union as per capita dues an amount equal to forty percent of minimum monthly membership dues for each person required to pay dues to the Local..."

As a result of action taken at the 1990 Convention, the minimum dues were increased to 2 ¼ hours effective January 1991. This additional ¼ hour is used to finance the Members' Relief Fund. For those units not able to strike, a 50 cents per member, per month, contribution is still required per the Constitution change in 2013. These funds are segregated and used for Strategic Industry Campaigns.

2. Types of Dues Payments

There are three types of dues payments due the International – Initiation Fees, Per Capita, Defense Fund, and Members Relief Fund. Details about each are given below.

A. INITIATION FEES

The one-time International initiation fee is \$1.00 per member.

This amount will be deducted from the Local's dues remittance payment when the International receives the member's first dues payment.

No initiation fees are deducted for agency fee payers.

B. PER CAPITA

The International's portion of dues collected is called per capita. Per capita is due the International for everyone who pays dues or fees. This money is used to operate the Union.

Each employee's weekly base wage must be determined before per capita can be calculated. The weekly base wage is calculated as follows:

- **Full-Time Employees** - If an hourly rate is maintained rather than a weekly rate, multiply the hourly rate by the basic number of hours worked.
- **Part-Time Employees** - Use the hourly rate normally paid to a full-time employee in the same job title and multiply that rate by the number of hours normally worked each week.
- **Wage Incentive and Piece-Work Employees** - Use the employee's basic hourly rate, excluding piece-work or wage incentive earnings, and multiply that rate by the basic hours of work.
- **Commissioned Employees** - The deduction is based on the top rate of the highest paid non-management person in the Business Equipment Sales Classification in the city where the Directory Sales Rep is headquartered. If there is no such classification in the headquartered city, then use the city that has Business

Equipment Sales people in a like class town within the same company. This is for premise people only. Non-premise people pay on their base wage.

- **Retired Members** - Multiply the total monthly pension from the company by 12 (months) and divide by 52 (weeks).

Annual Base Wage - Divide by 52.

Monthly Base Wage (12 deductions per year) - Multiply by 12 and divide by 52.

Semi-Monthly Base Wage (24 deductions per year) - Multiply by 24 and divide by 52.

Bi-Weekly Base Wage (26 deductions per year) - Multiply by 26 and divide by 52.

Once the employee's weekly base wage has been determined, per capita can be calculated as follows:

$$\frac{\text{Weekly Base Wage}}{40} \times 2 \times 40\% = \text{Per Capita}$$

C. MEMBERS RELIEF FUND

As a result of action taken at the 1990 Convention, the minimum dues were increased to 2¼ hours effective January 1991.

This additional ¼ hour is used to finance the Members Relief Fund.

For those units not able to strike a 50 cent per member, per month, contribution is still required.

The dues money remaining after the International's initiation fee, per capita and Members Relief Fund deductions is due to the Local.

3. Dues Formulas and Examples

These examples assume the minimum 2¼ hour dues structure is being used. Each Local, as governed by its Bylaws, may determine its own dues structure as long as the minimum dues structure (2 ¼ hours) is maintained.

A. WEEKLY BASE WAGE CALCULATION

Wage and salary rates which are not stated as hourly or weekly must be converted to weekly as follows:

$\frac{\text{Annual Base Wage } \$26,000.00}{52}$	$\frac{\$26,000.00}{52}$	=	\$500.00
$\frac{\text{Monthly Base Wage x 12}}{52}$	$\frac{\$2,166.67 \times 12}{52}$	=	\$500.00
$\frac{\text{Semi-Monthly Base Wage x 24}}{52}$	$\frac{\$1,083.33 \times 24}{52}$	=	\$500.00
$\frac{\text{Bi-Weekly Base Wage x 26}}{52}$	$\frac{\$1,000.00 \times 26}{52}$	=	\$500.00
$\frac{\text{Weekly (48) Base Wage x 48}}{52}$	$\frac{\$541.67 \times 48}{52}$	=	\$500.00

B. MINIMUM MONTHLY DUES CALCULATION

Weekly Base Wage ÷ 40 x 2¼ = MINIMUM MONTHLY DUES

\$500.00 ÷ 40 = \$12.50 x 2¼ = \$28.13

C. PER CAPITA CALCULATION

Weekly Base Wage ÷ 40 x 2 x 40% = PER CAPITA

\$500.00 ÷ 40 = \$12.50 x 2 = \$25.00 x .40 = \$10.00

1. Members Relief Fund

Hourly Rate x .25 = Members Relief Fund

\$12.50 x .25 = \$3.13

D. CALCULATING THE AMOUNT TO BE DEDUCTED PER DEDUCTION PERIOD

Minimum Monthly Dues x 12

Deduction Frequency = DEDUCTION AMOUNT

\$28.13 x 12 = \$337.56 ÷ 12 = \$28.13 MONTHLY

\$28.13 x 12 = \$337.56 ÷ 24 = \$14.07 SEMI-MONTHLY

\$28.13 x 12 = \$337.56 ÷ 26 = \$12.98 BI-WEEKLY

\$28.13 x 12 = \$337.56 ÷ 48 = \$ 7.03 WEEKLY

\$28.13 x 12 = \$337.56 ÷ 52 = \$ 6.49 WEEKLY

E. LOCAL'S PORTION OF MINIMUM DUES CALCULATION

Monthly Dues minus Per Capita, Members Relief Fund (MRF) = Local portion.

Monthly, semi-monthly and weekly (48) deductions will be constant from month to month.

Monthly Dues	\$ 28.13	Annual Dues	\$ 337.56
Per Capita	- 10.00	Per Capita	- 120.00
<u>MRF</u>	<u>- 3.13</u>	<u>MRF</u>	<u>- 37.56</u>
Local Portion	\$ 15.00	Local Portion	\$ 180.00

If the deduction period is bi-weekly (26 deductions per year) or weekly (52 deductions per year), dues collected will vary from month to month depending on the number of deduction periods in the calendar month but will average out over the year. Since the amount collected varies, the Local's portion will vary but the International's portion remains the same each month.

Example - Bi-Weekly Pay (\$1,000) - Bi-Weekly Deductions (26):

	2 Pay Period 2 Deduction Month	3 Pay Period 3 Deduction Month	Annual 26 Deductions
Bi-Weekly Deduction	\$ 12.98	\$ 12.98	\$ 12.98
Number Deduction Periods	<u>x 2</u>	<u>x 3</u>	<u>x 26</u>
Monthly Dues	\$ 25.96	\$ 38.94	\$ 337.48
Per Capita	- 10.00	- 10.00	- 120.00
MRF	<u>- 3.13</u>	<u>- 3.13</u>	<u>- 37.56</u>
Local Portion	\$ 12.83	\$ 25.81	\$ 179.92

Example - Weekly Pay (\$500) - Weekly Deductions (52):

	4 Pay Period 4 Deduction Month	5 Pay Period 4 Deduction Month	Annual 52 Deductions
Bi-Weekly Deduction	\$ 6.49	\$ 6.49	\$ 6.49
Number Deduction Periods	<u>x 4</u>	<u>x 5</u>	<u>x 52</u>
Monthly Dues	\$ 25.96	\$ 32.45	\$ 337.48
Per Capita	- 10.00	- 10.00	- 120.00
MRF	<u>- 3.13</u>	<u>- 3.13</u>	<u>- 37.56</u>
Local Portion	\$ 12.83	\$ 19.32	\$ 179.92

An additional .50 or \$6.00 per year will be deducted for those units unable to strike.

4. Methods of Dues Reporting

There are two methods of dues reporting used by employers -- electronic reporting and manual reporting. There is a third method of dues reporting used by Locals -- hand-collecting dues on a regular basis.

ELECTRONIC REPORTING OF DUES

The electronic method of dues reporting is the preferred method for receiving dues files from companies. Two methods of electronic reporting are: email for small files which are encrypted for security purposes; or FTP, which the media of choice with larger employers. FTP, which stands for File Transfer Protocol, is a method of transferring large amounts of data over the internet in a secured environment. Each reporting cycle (which is determined by the contract), the employer sends the International a check and file reporting dues collected for each employee as well as changes in membership information. The International compares the employer-reported information to its Membership Database making changes where necessary and reconciles the information reported to the check amount.

Electronic reporting is the quickest and easiest method of processing dues and should be considered when negotiating contracts. For complete specifications, contact the Information Technologies Department at the International.

MANUAL REPORTING OF DUES

Small companies send the International a check and a manual report showing dues collected for each employee and changes in membership information. The International has to manually compare the Company-reported information to its Membership Database making changes where necessary and reconciling the information reported to the check amount.

This reporting method only works well if all necessary information is provided to the International. The following information is needed to process dues manually:

<u>General Information</u>	<u>Employee Information</u>	<u>Dues Deduction Information</u>
Employer Name and Address	Social Security Number	Amount of Monthly Dues Deducted
Local Number	Name	Amount of Initiation Fees Deducted
Processing Unit Number	Payroll Number, if applicable	Amount of Make-Up Dues Deducted
Dues Month and Year	Hourly Rate and Base Hours	Amount of Advance Dues Deducted
Deduction Frequency (Monthly, Semi-Monthly, Weekly, Bi-Weekly)	-OR- Weekly Base Wage	Amount of Total Deductions
Employer Contact Person	Monthly Dues Amount Authorized	

Where a contract is in force but there is no deduction of dues clause, the Local is responsible for collection of dues. These dues should be submitted to the International using the Standard Dues Report (Form MLO-504). A check for the total amount of dues collected should be included.

Another method of reporting these dues would be our Local Collection system.

If an employer is going to use the manual reporting method, it is preferred that they report to the International on the Standard Dues Report (Form MLO-504). The International is then assured of receiving all the required information.

For these, and all other forms, visit the CWA website, www.cwa-union.org under “For Locals” and click on “Forms.”

DUES PAID TO LOCAL

Some individuals pay dues directly to the Local on a regular basis. A Request for Automatic Deduction of Per Capita and Members Relief Fund for Dues Paid to Local (Form MLO-81) should be submitted to the International for these individuals. The Local should retain all money and the International will make a deduction from the Local's monthly dues remittance payment to cover per capita and defense fund for these employees. All deductions will remain in effect until a Form MLO-81 is sent by the Local to cancel or change the deduction.

5. Types of Membership

Below is a description of each of the membership classifications used by CWA:

MEMBERS

Members are individuals who have signed membership application cards and have been accepted for membership according to the Local's bylaws.

NON-MEMBERS

Non-members are individuals covered by a collective bargaining contract who have not joined the Union and are not required to pay dues. Non-members may be occasional employees, employees in right-to-work states, employees in companies without an agency shop clause or "grandfathered" individuals in agency shops.

AGENCY FEE PAYERS

Agency fee payers (also referred to as dues equivalents) are individuals covered by a collective bargaining contract who have not joined the Union but are required to pay fees in lieu of dues. Agency fee payers are non-members covered by an agency contract in a non-right-to-work state.

RETIRED/ASSOCIATE MEMBERS

The CWA Constitution, in Article V, Sections 3(e) and 5(a), discusses Retired/Associate Members as follows:

3(e) Members of a Local who are or may be retired for any reason, or who are, or who may be on leaves of absence, may elect to continue to be active members or to assume the status of associate members. In the event any such person elects to become an associate member, the person shall lose voting privileges but shall not be required to pay dues.

5(a) All CWA Council Lifetime members shall be eligible to join in a CWA Retired Members' Chapter.

More information on retirees may be found in the Retirees portion of this document and in the CWA Constitution.

RELIGIOUS OBJECTORS

Religious objectors are agency fee payers who hold conscientious objections to joining or financially supporting a labor organization due to their religious beliefs or who are members of and adhere to a bona fide religion, body, or sect historically holding conscientious objections to joining or financially supporting a labor organization. CWA will accommodate such objectors by holding their fees in escrow and periodically disbursing the money to non-religious, non-labor tax-exempt charitable organizations.

An individual seeking religious objector status should notify in writing the Special Programs office. The letter should include the individual's name, address, Social Security number, Local number, employer and the basis for the request. Once this status is granted, it will remain in effect until rescinded by the individual.

AGENCY FEE OBJECTORS

Employees who are not members of the Union, but who pay agency fees, may request a reduction in that fee based on their objection to the Union's activities and expenditures that fall outside the areas of collective bargaining, grievance handling and contract administration. (See Section 10.4 for information on CWA Policies on Agency Fee Objection and Definitions.) The Policy can also be found in the CWA Constitution.

SUSPENDED MEMBERS

The procedure to follow in suspending a member is described in the CWA Constitution, Article XIX.

EXPELLED MEMBERS

The procedure to follow in expelling a member is described in the CWA Constitution, Article XIX.

PENDING MEMBER

A new or reinstated member, as reported by the Local, for whom no dues have been received from the employer. The member remains in a "pending" status until first dues deductions are received. Once dues are received, the member will be coded as an Active member.

PENDING AFP (Agency Fee Payer)

A new or reinstated individual who has not signed a membership application or dues authorization card yet. The Local should have the individual sign a membership application, or authorization, for Agency Fees. The person will remain in a "pending AFP" status until first dues deductions are received. Once dues are received, the member will be coded as an Active AFP.

6. Local Payday With Direct Deposit

The **Local Payday** program was started during 1993. Local Payday eliminates the financial effect of an uncertain schedule and provides instead a guarantee that the dues remittance will be deposited in the Local's bank account according to a predetermined schedule. This will enable Locals to better control and plan their finances. The Local is no longer penalized because of a late company check being sent to the Headquarters Office.

There are seven scheduled paydays each month covering all the major units. The payday for each processing unit is determined by the average expected receipt date for that processing unit.

To be eligible to participate in the Local Payday Program, once a processing unit has been selected, the Local must be on Direct Deposit.

Direct Deposit is available to all Locals to which dues payments are written. While Direct Deposit without Local Payday does not guarantee dues being received on a predetermined date, it has reduced the number of manual checks and replacement of lost or delayed in the mail checks.

In this connection, a Direct Deposit form must be executed. A completed Direct Deposit form (MLO-125) must be submitted. Extra care should be taken to verify accuracy of the ABA/Routing number and account number. Fifteen (15) days lead time is needed to implement Direct Deposit once the completed form is received.

For these, and all other forms, visit the CWA website, www.cwa-union.org under "For Locals" and click on "Forms."

7. Sample Dues Check-Off Contract Language for Use in Negotiations

Following is language for the Dues Check-off section of all new contracts to be used in negotiations. All companies who are not already doing so, should be encouraged to report dues deductions to the International via electronic format.

Information Provided To and From the Union

1. The Union agrees to notify the employer of changes of deduction amount 90 days or more prior to the month in which such changes are to occur.
2. The employer shall furnish the Union a monthly statement within ten days of the close of the calendar month in which dues were deducted. The statement will be sent in electronic format including the following information for each employee having dues or initiation fee deduction authorization or bonus/profit sharing on file:
 - First name, last name, and middle initial (when applicable)
 - Amount of dues or fees deducted
 - Payroll ID, social security number or other unique identifier
 - Hourly Pay Rate (actual hourly rate, not calculated based on hours worked)
 - Rate of Pay
 - Job classification or title
 - Work or report location
 - Mailing address, including City, State and ZIP
 - NCS or hire date
 - Local number
 - Date of Birth

In addition, the statement will include Bargaining Unit employees for whom the Employer has not made a dues or fees deduction with an appropriate explanation (i.e., "on leave," "no shifts worked," etc.). The statement will note or explain changes such as new hires, pay increases, leaves of absence, returns from leave, change of address, termination of employment, etc.

3. The union and the employer shall keep each other currently informed of their respective duly authorized representative and shall promptly notify each other of any change of such representatives.
4. The information listed above will be taken from employer records and will be furnished on a timely basis; however the Union recognizes that errors and delays may and will occur, and in using the information furnished, assumes all risks associated therewith.

Political Action Fund Contributions

1. The employer and the union shall provide for a program and procedure whereby eligible employees of the Company may make voluntary contributions through payroll deduction to CWA's Political Action Fund (PAF), a separately segregated political action committee sponsored by the union.
2. Eligibility to contribute to PAF through the payroll deduction program is restricted to those employees of the Company who are certified by the Union as eligible to participate under applicable federal and state laws.
3. Participation by any such employees shall be on a voluntary basis and employees shall be so informed by the person soliciting their participation on behalf of the Union. The Union shall be responsible for notifying the employer promptly when any such employee is no longer eligible to participate.

8. Possible Dues Remittance Deductions

CODE	DESCRIPTION OF DEDUCTION
PC/MEM	Per capita for members
PC/AFP	Per capita for agency fee payers
DEF (MRF)	Defense fund for members and agency fee payers
INIT. FEES	International initiation fees
REL OBJ ESCRW	Religious objector fees held in escrow
XPELLED ESCRW	Expelled from Union - fees held in escrow
ADVANCE	Dues advance repayment
PREV MO BAL	Previous month's balance due International
LOAN #XXXXXXX	Loan payment - XXXXXXXX indicates loan account number
COMPUTER SVCS	Payment for computer services (MUMSLink)
MRF/SIF	Members Relief Fund / Strategic Industry Fund
LOCAL PAY DED	Predetermined scheduled advance payment
COPE	CWA-COPE (Political Action Fund) contributions
BILLING XXXXXX	Deduction of billing due International - XXXXXX indicates the billing number
PROJCT XXXXXX	Contribution to Union-approved program - XXXXXX indicates the project code
SUBSIDY	Additional amount owed to Local on Incentive Program (Dues Split)
BAL DUE INTL	Amount calculated owed the International

9. Request for Automatic Deduction of Per Capita and Members Relief Fund for Dues Paid to Local – Form MLO-81

The Request for Automatic Deduction of Per Capita and Members Relief Fund for Dues Paid to Local Form, MLO-81, has three purposes:

- A. It is used by the Local to request automatic monthly deductions of per capita and defense fund for employees who pay dues directly to the Local for an extended period of time.
- B. It is used to cancel automatic monthly deductions of per capita and defense fund.
- C. It is also used to report a change in base wage for those employees on automatic monthly deduction of per capita and defense fund.

The International will calculate the amount of Per Capita and Members Relief Fund owed each month using the weekly base wage provided and deduct that amount from the Local's dues remittance payment. **No money should accompany this form.**

Dues are payable on or before the first day of the month for which they are applicable.

The Executive Board (February 1955 meeting) has interpreted the CWA Constitution as follows:

"Membership dues are payable on the first day of each month for the particular month and become delinquent if they are not deducted from the member's paycheck or paid in cash by 12:00 Midnight of the last day of the month."

The International will continue to deduct per capita and defense fund for cash dues paying members until written authorization to cancel deductions is received from the Local on Form MLO-81.

In order to expedite processing, please use a separate form for each processing unit.

To calculate weekly base wage:

$$\text{Monthly Pension} \times 12 \text{ months} / 52 \text{ weeks} = \text{Weekly Base Wage}$$

To calculate monthly deduction:

$$\text{Weekly Base Wage} / 40 \times 2.25 = \text{Monthly Amount}$$

If individual received a lump sum payment, the calculation is based upon the annuity which would have been received.

It is important that the appropriate action (start deductions, cancel deductions or change base wage) be checked. Only one action per employee may be indicated. The effective date should indicate when the action noted is to take place. Each individual's member code must be provided. A list of member codes is given on the form.

For these, and all other forms, visit the CWA website, www.cwa-union.org under "For Locals" and click on "Forms."

10. Dues Split Subsidy (Local Incentive Program)

"A Local, with Executive Board approval, that negotiates contracts, handles all grievances, arbitration cases, legal expenses and dues collection in those bargaining units that do not exceed 150 potential members may be rebated 70% of the dues collected for that bargaining unit. These Locals are known as '70/30 split Locals.' Where a "70/30" split Local makes a decision not to arbitrate a grievance, the grievant shall have no internal appeal rights under these procedures and the Local shall so advise the grievant."

11. Convention Voting Strength Computation

The CWA Constitution, Article VIII, Section 4(b) states:

(b) Locals shall elect their delegates in accordance with paragraph (a) on the basis of the average number of members on which dues were paid or collected by the International for the twelve (12) months ending the fifth month preceding that in which the Convention begins its session. Locals chartered less than twelve (12) months preceding the fifth month shall each be averaged according to the number of months chartered. Locals chartered after the fifth month preceding the Convention shall be allowed to elect delegates in accordance with this Section on the number of members in the Local at the time it was chartered; provided, however, that duplicate representation because of shift in membership from one Local to another shall not be allowed.

For example, the 2015 Convention was held in June. Convention votes were computed using dues payments for the months of February 2014 through January 2015.

After dues are processed each month, convention credits are computed and retained in the database. Convention credits are earned and accumulated by union members based on their record of dues payments. These accumulated convention credits are later translated into a number of convention votes which form the basis for voting representation in union elections and other matters during CWA's annual convention.

A convention credit is earned by a member if union dues are paid for a month. **Only paid members are eligible to earn convention credits -- agency fee payers and CWA Associates are not eligible.**

Approximately three months before the annual convention, each Local will receive a list showing its convention votes. If the Local disagrees with the International's calculations, they should write to the Secretary-Treasurer immediately so that any necessary adjustments can be made prior to giving the records to the Credentials Committee. Any disagreements not resolved prior to convention will be referred to the Credentials Committee for disposition. The Credentials Committee and the convention are the final authorities regarding the number of votes assigned to each Local.

CWA Constitution, Article VIII, Section 4(e) states:

(e) No Local will be entitled to representation at the Convention and its delegates shall not be seated if the Local is considered to be more than ninety (90) days delinquent in any per capita payments to the International Union at the time of the Convention, except those locals that have established and remained current on a formal payment arrangement with the International Union. Locals shall be notified of such delinquency not less than ninety (90) days prior to the first day of Convention.

CONVENTION VOTING STRENGTH COMPUTATION CHART

Approximately two weeks prior to the convention, final convention votes are calculated by the International. The number of votes for each Local determines the number of convention delegates to which they are entitled as follows:

<u># Votes</u>	<u>Delegates</u>	<u># Votes</u>	<u>Delegates</u>	<u># Votes</u>	<u>Delegates</u>
000- 199	1	5,201- 5,600	15	10,800-11,200	29
200- 399	2	5,601- 6,000	16	11,201-11,600	30
400- 800	3	6,001- 6,400	17	11,601-12,000	31
801-1,200	4	6,401- 6,800	18	12,001-12,400	32
1,201-1,600	5	6,801- 7,200	19	12,401-12,800	33
1,601-2,000	6	7,201- 7,600	20	12,801-13,200	34
2,001-2,400	7	7,601- 8,000	21	13,201-13,600	35
2,401-2,800	8	8,001- 8,400	22	13,601-14,000	36
2,801-3,200	9	8,401- 8,800	23	14,001-14,400	37
3,201-3,600	10	8,801- 9,200	24	14,401-14,800	38
3,601-4,000	11	9,201- 9,600	25	14,801-15,200	39
4,001-4,400	12	9,601-10,000	26	15,201-15,600	40
4,401-4,800	13	10,001-10,400	27	15,601-16,000	41
4,801-5,200	14	10,401-10,800	28	16,001-16,400	42

If you have more than 16,400 dues-paying members and want to calculate the convention votes to which you are entitled, take the number of votes and subtract 1, divide by 400 and add 2.

Example: $24,837 - 1 = 24,836 \div 400 = 62 + 2 = 64$ delegates

12. Membership Cards

New CWA membership cards will be sent to Locals every four years. Locals are responsible for distributing the cards to their members. Blank cards can be purchased on the CWA website at www.cwamaterials.org.