

▶ The SMART Union Label

20 Key Questions & Answers

Here are the answers to 20 key questions you or other union members might have about the union label. Together they provide the basic information you need to know.

- I. Overview
- II. Value and Benefits
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I. THE LABEL OVERVIEW

1. What is the union label?

The label is a tool for protecting union jobs, wages, and benefits. And it's an essential tool for enforcing contracts. The labels encourage employers to use union-made products. Labels protect wages in two ways: first, by ensuring building trades fabricated materials are constructed per the area standard wage (average crew cost) under the contract for the jurisdiction where the jobsite is located, which is required by the subcontracting restrictions in the union contract; and, second, by identifying which SMART bargaining area fabricated the union products to ensure that, through wage equalization, the lower-paid workers in the fabrication shop receive the same average crew cost as the higher-paid workers at the jobsite (when applicable). They're also a sign of quality craftsmanship done by skilled union workers.

2. How does the label system work?

SMART members working in fabrication shops put labels on union-made products. SMART members who are installers check for the label on products arriving on construction sites. If there is no label on a yellow-label product, installers should contact their business rep. so he can enforce the contract that requires contractors to prove that they are at least paying the same wage rates for products installed (even if they're not union made).

On products with labels, installers check to see which SMART contract area produced it by scanning the bar codes or reading the numbers on the labels. The bar codes and numbers are linked to information about which union shop produced it and the shop's wage rate (average

crew cost, including benefit costs). Only then can wage equalization take place. The system relies on the vigilance and commitment of SMART union sheet metal workers throughout the process.

3. What's the difference between the yellow and blue labels?

The blue label is used on production products. The yellow label represents building trades products. Yellow labels are used to enforce subcontracting standards and for wage equalization.



4. How do the labels help enforce contracts?

All SMART union building trades contracts require that contractors either use yellow-labeled products or prove that the non-union workers who made non-labeled products were paid the same rate as the local union workers earn. As you can imagine, proving that can be tough. What did a worker in China earn? How much did the fabricator of a product bought in a store make? The installing contractor is required to prove they earned the same. The label is the simple way to prove it.

5. Who is responsible for making the label system work?

All SMART union sheet metal workers have a role to play in making the label system work. The labels must be put on in the first place. Installers must check to see if products are labeled, reporting when they're not, and scan in the information about which SMART contract area produced it. Local union leaders must support installers who report non-labeled products and enforce contracts, promote the use of the labels (with contractors and SMART

union members), and ensure maintenance of subcontracting standards and wage equalization takes place.

6. What is the difference between the roles played by rank-and-file members and union leaders in making the label system work?

The system only works if both local leaders and rank-and-file sheet metal workers do their part. The rank-and-file are the hands, eyes, and voices that apply the labels, see if they're on products arriving on job sites, raise their voices to report when labels aren't there, and scan them when they are. Local union leaders must back up workers in fabrication shops and on construction sites, making sure labels are available in fabrication shops, taking action when installers report non-labeled products, and ensuring that everyone in the local knows how the system works. And the International must ensure that the entire system functions and supply the data that facilitates wage equalization.

Union members can ask their employer to only use labeled materials. Local union officials have a duty to enforce contracts. They can also encourage contractors to only use products with the union label and provide lists of manufacturers who produce labeled union products.

II. THE VALUE AND BENEFITS OF LABELS

7. How important are the labels to the union and its members?

The labels are a critical tool for enforcing contracts. Union officials work hard to negotiate the best contracts possible, and the labels are essential to protecting those contracts, union jobs, and wages. They play a central part in preventing a race to the bottom in which contractors try to use non-labeled products or pay union workers less and less.

8. What are the benefits of using the label?

By using the labels, we protect existing union jobs, secure more work, and protect union wages. And when more sheet metal workers participate in the union's health care plan and pension fund, those benefits are better for everyone. In other words, all union members are better off if we work together to make the label system work. By standing up and supporting each other, we stand up and support ourselves. Solidarity works.

9. How do the labels help union members personally?

For individual sheet metal workers, it means more work, better pay, and healthier benefits. The job you save may be your own. And the more union members participating in the health care and pension systems, the better those benefits will be for each union member.

10. How do the labels help the union?

The labels are a critical tool for enforcing union contracts. And the more union jobs there are the better the union health care and pension benefits are for its members. The stronger your union is, the better your pay and benefits are.

III. LABELS AND WAGE EQUALIZATION

11. How does wage equalization work?

Wage equalization removes the incentive for employers to use yellow-label products fabricated by union workers getting lower wage rates. By scanning the labels to report which shop produced a product, everyone in the process from fabricators to installers gets the highest average crew cost rate. In other words, if a contractor ships in product from a lower-rate local for a higher-rate local to install, the contractor will have to pay the higher average crew cost rate.

12. Who benefits from wage equalization?

Everyone benefits from wage equalization. First, a fabricator in a lower-rate local who gets a boost in pay from wage equalization benefits most directly. His pay goes up. But wage equalization helps higher-rate sheet metal workers too by removing the incentive contractors have to look for fabricated products from areas with a lower average crew cost. Otherwise, contractors could pursue a race to the bottom that puts pressure on all locals to accept lower wages.

13. Does wage equalization hurt my local by helping other lower-paying locals?

No. Wage equalization provides a financial incentive to keep work within the local. Since a contractor will have to pay lower-paid fabricators the same rate as a higher-paid local enjoys, it discourages them from seeking lower-cost products. And if someone in another local gains from wage equalization, all of us gain from healthier benefits.

14. Has wage equalization worked in the past?

Yes, it works every day. SMART union sheet metal workers throughout the country get a boost in pay regularly when another local notes they deserve to benefit from wage equalization. And every day contractors know they may have to pay workers more – if installers scan the labels and report the pay differentials.

IV. WHAT TO DO ABOUT NON-LABELED PRODUCTS

15. If a union member sees non-labeled items on the job, what can he do?

Employees should report any yellow-label products without labels to their local business rep. They can do so either directly or through the new mobile app. Then the business rep. can take action to enforce the contract. (Remember, our contracts require contractors to prove that they've paid the same union wages to whoever fabricated a yellow-label product even if a non-union worker made it. The label is proof that they have paid the proper rate.)

Employees can also let employers and supervisors know they don't want to handle non-labeled products through petitions, meetings with employers, or by making their views known in other ways, such as signs and hardhat stickers.

16. What are the risks involved in reporting non-labeled products?

While the benefits of the labels are great, the risk to SMART union members are minimal. After all, union members only have to scan labeled products or report non-labeled items to their business rep. who will take it from there. Yes, an employer might choose to retaliate in some way if they suspect a worker is reporting non-labeled product. But they won't know who made the report to the local. That's confidential. Each work site, supervisor, and contractor is different. So, union members must judge what level of risk is involved in a particular situation.

17. What does the union do about non-labeled products?

Union officials encourage contractors to purchase only products that are labeled. They also regularly supply contractors with lists of manufacturers who produce

union-labeled products. But the main responsibility of union officials is to intervene with contractors when union members report that non-labeled products are showing up on work sites. It is their duty to enforce the contract.

18. If I know the product came straight from our fabrication shop to my work site, do I need to worry about the label?

Yes. Our mantra should be: "every piece, every time." First, installers should ask themselves if they're really sure all of the materials came directly from our own shop. Even if you're confident they did, the label should be displayed. At the very least, it's a sign of union pride and quality craftsmanship. In addition, other materials from the fabrication shop may be going elsewhere so all items should be labeled – all the time.

V. CONTRACTORS AND QUESTIONS

19. What do contractors think of the labels?

Contractors know about the labels. The contracts they've signed require them to prove that, if they use non-union yellow-label products, those non-union workers received the same wages the local union members. They know about wage equalization too. So, labels and our need to check them shouldn't surprise them. All SMART union building trades contracts (Standard Form of Union Agreement or SFUA) require maintenance of subcontracting standards and wage equalization.

Most contractors appreciate that the labels are also a sign of quality. Yes, some contractors may not like the labels. But they know why we like them and why we need them.

20. What should I do if I have questions about the labels?

Ask your local's business representative or other local officials if you have questions about the labels in general or about a particular situation on a job site. They'll know the answer or can find the answer quickly. Also, talk with your union brothers, especially if there's a union foreman or steward on the site. They probably have dealt with similar situations and they'll probably know the answer too.



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