Training Funds

If your company does ANY prevailing wage work or would like to find an easier way to budget for annual education, training and certifications, Ohio Valley ABC, through its 501(c)3 non profit educational partner, the Ohio Valley Construction Education Foundation has a program for you.

**Prevailing Wage Training Funds**

Have you ever wondered how unions can offer year round “free” training for apprentices? Examine any prevailing wage sheet and you will see that training is never free. Unions, on average, charge their contractors $.50 - $1 for every hour worked. These “training” funds go to the union to cover the costs of operating an ongoing training program. EVERY worker hour is charged this fee. Merit shops who do prevailing wage work typically do not understand the “training funds” part of the fringe benefits and pay this out in cash to their workers, therefore missing the opportunity to fund future training and save on payroll taxes. Merit shop firms that do ANY prevailing wage work should take advantage of withholding training funds. See forms next 3 pages.

**Example**

  Prevailing wage job with 5 men for 700 hours (3,500 total hours). $.64/hr training funds

  Company A pays out training funds in cash to employees as a fringe benefit.

  $3,500hrs x $.64 = $2,240 + Taxes (15%) = $2,576 expenses

  Company B participates in PW training funds and deposits with OVCEF.

  $3,500hrs x $.64 = $2,240 deposited with OVCEF for future training expenses

  $336 in payroll taxes are saved

  This program creates savings that could be the difference between winning/losing a bid or making money vs. breaking even.

**Pre-Paid Training Funds / Voluntary Cents per Hour**

Every year your company plans for training, education and re-certification of employees. Every year when things get “tight”, we steal those budgets to fund other items. Stop Stealing from yourself and commit to the training you know you want, what is necessary to grow and advance your company and employees. This can easily be done through creation of a voluntary cents per hour, prepaid training funds program. Here is how it works. For every hour worked, you set up in your payroll system, an amount per hour that will be set aside and deposited into your training funds account managed by the Ohio Valley Construction Education Foundation. When you are ready for your next training program or want to enroll someone into project management or registered apprenticeship, you withdraw the funds as needed.

**Examples**

  10 employees, full time, $.10 per hour
  10 employees x 2000 hours x $.10 = $2,000

  25 employees, full time, 10 part time, $.25 per hour
  25 x 2000 x .25 + 10 x 1000 x .25 = $15,000 (enough for 7 registered apprentices)

See forms next 3 pages.

To learn more, contact the Ohio Valley Construction Education Foundation Today.
Ohio Valley Construction Education Foundation
Training Fund Options
Terms and Conditions

Associated Builders and Contractors has partnered with the Ohio Valley Construction Education Foundation (OVCEF) to offer two options members companies to fund their ongoing training costs—the Prevailing Wage Program and the Prepaid Training Program. Both programs are based upon a cents-per-hour formula. Your participation in either or both of these programs will save your company money, increase your competitiveness, and document your commitment to education and training to both employees and clients. It's easy to participate.

Prevailing Wage Program

1. Look up the allowable cents-per-hour amount for apprenticeship and training on the prevailing wage rate schedule, and enter it in the appropriate column on the Prevailing Wage Training Fund Remittance Form (attached).
2. Enter your job reference (optional).
3. Enter the total number of journeypersons and apprentices on the job.
4. Enter the total number of hours worked by all journeypersons and apprentices.
5. Multiply total hours worked by the rate to get the amount to be remitted for that job.
6. Enter all applicable jobs following the same procedure and calculate the total remittance.
7. Prepare your check payable to OVCEF for the amount calculated and send to OVCEF 33 Greenwood Lane, Springboro, OH 45066.
8. Of the funds you remit, 80% are deposited in your individual company training account to be applied against future apprenticeship, craft training and safety training costs.
9. An Administrative fee of 20% is retained by OVCEF to continually improve and develop the finest instruction, labs and curriculum while keeping tuition costs competitive.
10. Unused training account funds expire at each calendar year end (exception: 4th quarter deposits carry over to following year end); expired funds are transferred to OVCEF to be used as stated in #9 above.
11. Statements showing your training account balances are available upon your request by calling the accounting department.
12. Payments should be deposited to OVCEF monthly.

SAMPLE
Trade: Sheet Metal

<table>
<thead>
<tr>
<th>Your Reference</th>
<th>Total #Journeypersons</th>
<th>Total #Apprentices</th>
<th>Total Hours Worked (Combined Journeypersons AND Apprentices)</th>
<th>Training Rate per Hour (from prevailing wage rate schedule)</th>
<th>Amount Remitted (Column 4 x Column 5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main St Elem. School</td>
<td>16</td>
<td>5</td>
<td>3,360</td>
<td>$0.65</td>
<td>$2,184</td>
</tr>
</tbody>
</table>

TOTAL REMITTANCE $2,184

Prepaid Training Program

1. Select any amount from per hour per employee (for example $.25). Enter the rate in the appropriate column on the Prepaid Training Program Remittance Form (attached).
2. Enter your job reference (optional).
3. Enter the total number of employees.
4. Enter the total number of hours worked by all employees.
5. Multiply total hours worked by the rate to get the amount to be remitted for that job.
6. Prepare your check payable to OVCEF for the amount calculated and send to OVCEF 33 Greenwood Lane, Springboro, OH 45066.
7. Of the funds you remit, 80% are deposited in your individual company training account to be applied against future apprenticeship, craft training and safety training costs.
8. An Administrative fee of 20% is retained by OVCEF to continually improve and develop the finest instruction, labs and curriculum while keeping tuition costs competitive.
9. Balance of funds remains in your individual company training account until used, without expiration.

SAMPLE

<table>
<thead>
<tr>
<th>Your Job Reference</th>
<th>Total Hours Worked (all employees)</th>
<th>Rate Per Hour (your option—any amount between $.05 and $.25/hour)</th>
<th>Total Amount Remitted (Multiply total hours worked by rate per hour)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main St School</td>
<td>2,000</td>
<td>$.25</td>
<td>$500</td>
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TOTAL REMITTANCE $500
Ohio Valley Construction Education Foundation

PREVAILING WAGE TRAINING PROGRAM
TRAINING ACCOUNT REMITTANCE FORM

<table>
<thead>
<tr>
<th>Company Name</th>
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<tbody>
<tr>
<td>Address</td>
</tr>
<tr>
<td>City, State, Zip</td>
</tr>
<tr>
<td>Prepared by</td>
</tr>
</tbody>
</table>

Trade: __________________________

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<tr>
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<th>Total #Apprentices</th>
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**TOTAL REMITTANCE**

The Apprentice Training Rate times the Total Hours Worked for Journeypersons & Apprentices equals amount remitted. Make all checks payable to: Ohio Valley Construction Education Foundation. I understand that 80% of this check will be credited to our Individual Training Account. Funds must be used for training in the trade indicated and/or for safety training of field employees according to Ohio’s Prevailing Wage Statute (ORC 4115). The balance of 20% will be retained by OVCEF to support costs of providing training programs, including but not limited to curriculum development, instructors, lab equipment and materials. [Note: Training account funds are subject to expiration if not used within specified time period.]

I certify that this report is a true and correct statement of the hours worked by all employees from whom contributions are due for this reporting period.

Signed: ___________________________ Title: ______________

Please remit payment by the 10th of each month to:

OHIO VALLEY CONSTRUCTION EDUCATION FOUNDATION
33 Greenwood Lane
Springboro, OH 45066-3034

A copy of this form must be completed and returned with payment!
The Ohio Valley Construction Education Foundation’s Prepaid Training Program enables you, as a participating contractor, to accumulate funds needed for training throughout the year. Of the funds remitted 80% will remain in your individual training account until either (1) you utilize the funds for training purposes, or (2) there is no activity (in the form of either a remittance or usage) in your account for a minimum of one calendar quarter (in which case these funds revert to the OVCEF operating fund). The 20% retained by OVCEF supports costs of providing training programs, including but not limited to curriculum development, instructors, lab equipment and materials.

Please submit funds for your account to:

Ohio Valley Construction Education Foundation
33 Greenwood Lane
Springboro, OH 45066-3034

Signed: __________________________ Title: __________________