

# RUMORS VS. FACTS

## Re: The National Health & Welfare Plan Cost Increase

We've heard rumors about the employee monthly cost-sharing premium increase effective July 1, 2016 for brothers and sisters on railroads that are covered under The Railroad Employees National Health and Welfare Plan.

### HERE'S SOME CLARIFICATION:

**X Rumor:** The employee monthly cost-sharing contribution is increasing June 1, 2016.

**✓ Fact:** The monthly cost-sharing contribution is increasing, effective July 1, 2016, per Article III, Section 3, Part B, Section 1(c) of the April 25, 2012 National Agreement.

**X Rumor:** The monthly cost-sharing contribution is increasing because a new National Agreement was just signed.

**✓ Fact:** Although the BMWED and the National Carriers' Conference Committee (NCCC) are engaged in National Negotiations, no new National Agreement has been signed. The monthly cost-sharing contribution is increasing because of Article III, Section 3, Part B, Section 1(c) of the April 25, 2012 National Agreement.

**X Rumor:** The monthly cost-sharing contribution is increasing to \$230 or more per month, effective July 1, 2016.

**✓ Fact:** The monthly cost-sharing contribution is increasing to \$228.89 per month, effective July 1, 2016. Article III, Section 3, Part B, Section 1(c) of the April 25, 2012 National Agreement, caps the employee monthly cost-sharing contribution to the lesser of 15% of the Carrier's Monthly Payment rate or \$230, effective July 1, 2016. 15% of the Carrier's Monthly Payment rate is the lesser amount and results in a monthly cost-sharing contribution of \$228.89 per month beginning July 1, 2016 and continuing through December 31, 2016.

**X Rumor:** The monthly cost-sharing contribution is increasing to more than \$230 per month, effective January 1, 2017.

**✓ Fact:** Again, Article III, Section 3, Part B, Section 1(c) of the April 25, 2012 National Agreement, caps the employee monthly cost-sharing contribution to the lesser of 15% of the Carrier's Monthly Payment rate or \$230, effective July 1, 2016, "...unless mutually agreed by the parties during negotiations commencing when this Agreement becomes amendable pursuant to Article V". In other words, the monthly cost-sharing contribution cannot increase above \$230 unless agreed to by the BMWED and the NCCC. Again, although engaged in National Negotiations, the BMWED and the NCCC have neither reached a new agreement nor mutually agreed to increase the monthly cost-sharing contributions above \$230 per month.

### SOME MORE INFORMATION:

**The employee cost-sharing contribution has not increased from \$198 per month since January 1, 2010.**

**Without the \$230 cap per the April 25, 2012 National Agreement, 15% of the Carrier Payment Rate for 2017 is currently projected to be approximately \$251.50 per month.**

If you have any questions regarding the July 1, 2016 employee monthly cost-sharing contribution increase, please contact your General Chairperson or the Executive Assistant to the President, Peter E. Kennedy, at (248) 662-2614 or peterk@bmwe.org.

#### Brotherhood of Maintenance of Way Employees Division

of the International Brotherhood of Teamsters  
41475 Gardenbrook Road • Novi, MI 48375 • Phone: 248-662-2660 • Fax: 248-662-2659  
www.bmwe.org • www.facebook.com/bmwedibt

