

BMWED and SMART-Mechanical Wage & Rule Proposal
March 31, 2016

ARTICLE I – WAGES

Section 1 – General Wage Increases

1. Effective 1/1/16 – 4.5% increase to hourly, daily or monthly rated positions
2. Effective 1/1/17 – 4.5% increase to hourly, daily or monthly rated positions
3. Effective 1/1/18 – 4.5% increase to hourly, daily or monthly rated positions
4. Effective 1/1/19 – 4.5% increase to hourly, daily or monthly rated positions
5. Effective 1/1/20 -- 4.5% increase to hourly, daily or monthly rated positions

Section 2 – Uniform Rate Adjustment

Prior to the implementation of the wage adjustments in Section 1 – rates on each carrier participating Carrier in national bargaining shall be uniform. (To be achieved through intensive local bargaining following conclusion of national bargaining to be resolved under the procedures of the Railway Labor Act. Mediation, if requested, shall continue for no more than 21 days followed by a proffer of arbitration regarding the issue of rate uniformity.)

ARTICLE II – WORKFORCE STABILIZATION & PRODUCTIVITY (BMWED only)

Section 1 – Sub-contracting procedures

- (a) Amend Article IV of the May 17, 1968 National Agreement to provide the following:
 - i. Annual informational meeting between representatives of Carrier engineering and designated representatives of the affected craft/class to discuss Carrier's plans for use of subcontractors for next calendar year.
 - ii. Sixty (60) day or greater advance written notice of the Carrier's proposed contracting transaction. Notice must refer to discrete subcontracting transaction.
 - iii. At request of designated representative, Carrier must meet to discuss the proposed contracting transaction. Participants at conference must have full authority to resolve issues raised by notice including, but not limited to, Carrier modification or withdrawal of the notice and Union concurrence in the contracting transaction.
 - iv. If parties fail to resolve dispute in conference, either party may invoke expedited parties' pay arbitration before carrier-specific Special Board of Adjustment for resolution of dispute before contracting transaction begins.

- v. Carriers not subject to Article IV of the May 17, 1968 National Agreement shall adopt the terms of that Agreement, as amended in the current round of bargaining at the option of the Union.

Section 2 -- Amend February 7, 1965 Agreement

- (a) Employees who are in active service on the effective date of the agreement or return to active service after the effective date and have 3 or more years of service are protected under the terms of the agreement as amended.
- (b) The category of "seasonal" employee is eliminated and all "seasonal" employees are reclassified as protected under Article I, Section 1.
- (c) Recomputation of the "decline in business" formula contained in Article I, Section 3.
- (d) Provide for suspension, rather than forfeiture of benefits for employee who fails to retain or obtain a position in the exercise of seniority rights. Protected status renews when the employee returns to active service.
- (e) Carriers not currently subject to the February 7, 1965 Agreement, as amended, shall be subject to that Agreement as amended in the current round of bargaining at the option of the Union. Election of this option will be subject to the provisions of Article VI of the Agreement.

ARTICLE III -- PAID TIME OFF

Section 1 -- Amend National Vacation Agreement of December 17, 1941

- (a) Regardless of length of service, minimum of 100 days of compensated service in preceding year required for full vacation eligibility.
- (b) Newly hired employee who performs at least 100 days of compensated service in first year of employment receive 10 days (80 hours) of paid vacation time.
 - 1) Employee who performs less than 100 days of compensated service in first year of employment receives a pro-rata share of paid vacation based on number of days worked.
 - 2) Employee receiving pro-rata vacation for first year of service is deemed to have qualified for a full vacation when computing eligible years of service for subsequent vacation eligibility.
- (c) Employees with 1 - 4 years of qualifying service receive 2 weeks (80 hours) paid vacation.
- (d) Employees with 5 - 9 years of qualifying service receive 3 weeks (120 hours) paid vacation.
- (e) Employees with 10 - 14 years of qualifying service receive 4 weeks (160 hours) paid vacation.
- (f) Employees with 15- 24 years of qualifying service receive 5 weeks (200 hours) paid vacation.

(g) Employees with 25 or more years of qualifying service receive 6 weeks (240 hours) paid vacation.

(h) Carriers not subject to the National Vacation Agreement of December 17, 1941, as amended, shall apply these changes to their local vacation rules at the Union's option.

(i) Employees may subdivide up to 3 weeks of vacation into less than 40 hour increments subject to the applicable rules regarding scheduling of personal leave on the carrier.

Section 2 -- Amend Article X of the December 11, 1981 National Agreement

(a) Employees who have met the vacation qualifying requirements for 5 years receive personal leave of one day's pay at the rate of their regularly assigned positions (wage & length of assigned work day)

(b) Employees who have met the vacation qualifying requirements for 10 years receive personal leave of two days' pay at the rate of their regularly assigned positions (wage & length of assigned work day)

(c) Employees who have met the vacation qualifying requirements for 15 years receive personal leave of three days' pay at the rate of their regularly assigned positions (wage & length of assigned work day)

(d) All qualifying and procedural rules regarding use of personal days remain unchanged.

(f) Carriers not currently subject to Article X of the December 11, 1981 National Agreement, as amended, shall be subject to that Article, as amended in the current round of bargaining at the option of the Union.

ARTICLE IV -- HEALTH & WELFARE

Section 1 -- Railroad Employees' National Health & Welfare Plan -- continue work of "expert" small group. Specific proposal TBD.

Section 2 -- Employees' Early Retirement Benefit -- continue work of "expert" small group. Specific proposal TBD.

Section 3 -- Dental Insurance

(a) Eliminate current passive PPO plan.

(b) Establish PPO plan with "network" and "out of network" levels of benefits and payments

(c) Maximum annual benefit per covered individual \$2000.00

(d) Deductible (annual)

1) \$0 in network

- 2) \$50 individual/\$100 family out of network

(e) Coinsurance (annual)

- 1) Network
 - i) Preventive -- 100%
 - ii) Basic Services -- 100%
 - iii) Major Services -- 80%
- 2) Out of network
 - i) Preventive -- 100%
 - ii) Basic Services -- 80%
 - iii) Major Services -- 50%

(f) Orthodontia benefit

- 1) In network -- 50% up to \$2500.00
- 2) Out of network -- 50% up to 1000.00

(g) Implant benefit

- 1) In network -- 50% coinsurance
- 2) Out of network -- no coverage

Section 4 -- Vision Insurance

Amend existing plan as follows:

- 1) Lenses
 - i) In network -- full coverage (with transition and scratch resistance)
 - ii) Out of network -- same as current Plan
- 2) Frames -- \$105 every calendar year -- no contact benefit if frame benefit claimed
- 3) Contacts -- \$105 every calendar year -- no frame benefit if contacts benefit claimed

Section 5 -- Life Insurance

Increase benefits as follows:

- 1) Death of active employee -- \$50,000.00

- 2) Death of retired employee -- no change to current
- 3) Accidental Death or Dismemberment -- \$20,000.00

ARTICLE V -- AWAY FROM HOME EXPENSES (BMWED only)

Section 1 -- Meal Allowances

Raise daily meal allowance to \$31.00 effective July 1, 2016. Thereafter adjust on an annual basis based upon the percentage change in the CPI-W (1982-84 = 100) "food away from home".

Section 2 -- Lodging and "Camper" Allowances

Adjust daily lodging or "camper" allowances effective July 1, 2016 by the percentage change in the CPI-W (1982-84 = 100) "lodging away from home" since the last date of adjustment. Thereafter adjust on an annual basis each July 1st.

On those Carriers which provide a *per diem* allowance that includes both meals and lodging, such allowances will be increased in a similar manner.

Section 3 -- Employees "headquartered" away from home

Employees required to accept a fixed headquarter position over 50 miles from their residence in order to retain active employment shall receive meals and lodging as though assigned to a position without fixed headquarters. This allowance shall continue until the employee can exercise seniority to a fixed headquarter position within 50 miles of his residence or to a position without fixed headquarters for which meals and lodging are provided.

Section 4 -- Travel Allowance

- (a) Increase the allowance to \$30 per 100 miles effective July 1, 2016.
- (b) Increase the allowance to \$35 per 100 miles effective July 1, 2019
- (c) Carriers not a party to Article XIV of the September 26, 1996 National Agreement shall, at the Union's option, become a party to that Article and apply the increases to the allowances set forth in (a) and (b) above.

Section 5 -- Travel from one work point to another

Carriers not subject to the Award of Arbitration Board No. 298 shall adopt, at the Union's option, the provisions of Article I (C) of that Award, however, the mileage reimbursement shall be at the applicable IRS rate.

ARTICLE VI -- WORK RULES

Exchange of job assignment on rest days (SMART-Mechanical only)

Employees will be allowed to exchange shifts or rest days with the Shift Supervisor's approval to take care of urgent personal business or for medical reasons. Employees wishing to make such an exchange should seek out another qualified employee who is on the same shift and is agreeable to the exchange. Together they should advise the Shift Supervisor. The Shift Supervisor and Mechanical Manager have the right to allow or disallow the exchange based on merits of the request.

ARTICLE VII -- MORATORIUM

Moratorium on new proposals under Section 6 through December 31, 2019.