

SYNOPSIS OF PROPOSED NATIONAL CONTRACT BETWEEN UNITED TRANSPORTATION UNION AND NATIONAL CARRIERS' CONFERENCE COMMITTEE

Article I – Wages

General wage increases:

- July 1, 2010: 2%
- July 1, 2011: 2.5%
- July 1, 2012: 3%
- July 1, 2013: 3%
- July 1, 2014: 3.5%
- January 1, 2015: 3%

Article II – Cost-of-Living Payments

Elimination of COLA payments effective June 30, 2011 (COLA paid on Jan. 1, 2011, retained as part of daily rate of pay)

Article III – Health and Welfare

| Plan Design Changes for MMCP In-Network Benefits | Previous Plan Benefit |
|---|---|
| Emergency Room co-pay | \$25 |
| Urgent Care co-pay | \$25 |
| Annual Deductible | \$0 |
| Co-insurance after deductible | 95/5 |
| Out-of-pocket Max | \$0 |
| Convenient Clinic co-pay (in-network only – agreement on range of covered services) | \$20 – PCP Office visit co-pay |
| | |
| Medical Management Plan: | |
| • Radiology notification (initially applicable to UHC, but to be expanded when/where appropriate to Aetna and BCBS) | New (Member held harmless – physician requirement) |
| • Cancer, Bariatric and Kidney Resource services (expansion of Centers of Excellence for best outcomes) | New / Expanded |
| • Treatment Decision Support | New |
| | |
| (This applies to both MMCP and CHCB – voluntary programs – participation in programs without co-payment co-insurance by member) | |
| | |
| Prescription Drug Benefit | |
| Retail | \$10/20/30 |
| Home Delivery (mail) | \$20/30/60 |
| | |
| Prescription Drug Rules (also applies to ERMA – GA-46000 – for retirees after January 1, 2012) | |
| • Prior Authorization Program (with a 5-day temporary over-ride) for specific therapeutic drug categories | New |
| • Step Therapy and Quantity/Duration Limits Program for specific therapeutic drug categories | New / Expanded |
| • Personalized Medicine and Generic Rx Advantage Programs | New – Voluntary Programs with no cost to member |
| • Process established to add rules recommended by Pharmacy Benefit Manager (Medco) by mutual agreement | New |

Article III – Health and Welfare (continued)

| Monthly Employee Contributions | Projected Amounts |
|--------------------------------|------------------------|
| January 1, 2010: \$200.00 | \$200.00 |
| January 1, 2011: \$202.90 | July 1, 2011: \$229.96 |
| January 1, 2012: \$200.00 | \$242.68 |
| January 1, 2013: \$200.00 | \$266.95 |
| January 1, 2014: \$200.00 | \$293.64 |
| January 1, 2015: \$200.00 | \$323.01 |
| July 1, 2016: \$230.00 | \$355.31 |

Side Letter #7 of July 1, 2008, National Agreement is rescinded

“Hillary Care” letter

Article IV – Service Scale

Sec. 1 - \$3000 bonus payable to those employees subject to the current Service Scale rule or similar local agreement.

\$1,200 bonus payable to those employees subject to modified service scale rules or compensated at 100% of rate when working in promoted status.

To be paid within 90 days after date of Agreement.

Sec. 2 – New Employees

- 75% - 1st year
- 80% - 2nd year
- 85% - 3rd year
- 90% - 4th year
- 100% - after 4th year

“Step-up” upon promotion is maintained in accordance with past rule application.

Preserves existing service scale rules without change unless the UTU representative gives written notice to the Carrier to apply this in lieu of such existing rules within 15 days after date of this agreement.

Article V – FRA Certification Allowance

Effective July 1, 2012, or the date of FRA regulations for such, employees to be paid \$5.00 certification allowance for each start on a position requiring FRA certification.

Article VI – Local Discussions

Alternative compensation
Compensated leave
Compensation enhancement
Electronic bidding and bumping
Scope Rule – Yardmasters Doc. “B”

30-day written notice by either party to commence discussions.

Article VII – Probationary Period

Amends Article VII, Section 1 of the August 25, 1978, National Agreement by establishing a 60-day period after completion of training and protection of the first tour of compensated service in which the individuals application for employment may be rejected.

Article VIII – General Provisions

Standard Moratorium - parties free to serve formal Section 6 Notices on or after November 1, 2014, not to become effective prior to January 1, 2015.

Side Letters –

#1 – Retroactive wage adjustment to be paid within 60 days of date of agreement.

#2 – Retroactive wage adjustment applicable to employees who have an employment relationship on the date of agreement or who retired or died subsequent to June 30, 2010.

#3 – Understanding to consider additional prescription drug management rules, as may be recommended, subject to acceptance and approval by the Plan’s Governing Committee.

#4 – Service Scale one-time bonus payable to employees with an employment relationship on the date of the agreement or who retired or died subsequent to May 1, 2011.

One-time bonus not payable to employees subject to compensation at full (100%) rate when promoted to conductor/foreman or upon completion of a two-year or less rate progression, whichever is earlier.

#5 – Understanding to suspend the July 1, 2011 COLA payment and corresponding H&W monthly contribution adjustment pending the ratification process.

#6 – Understanding that the January 1, 2015, wage adjustment (Article 1, Section 6) was intended to constitute a complete resolution of the compensation adjustment issue for the 2015 calendar year in the event that the disposition of the 2015 Bargaining Notices are referred to any third party.

Exhibit B – Identifies the process of the Radiology Notification Support, Centers of Excellence Resource Services and the Treatment Decision Support provisions.

Exhibit C – Identifies the therapeutic drug categories included in Coverage Authorization and Step Therapy Programs.

Addendum 1 – Questions and Answers pertaining to the FRA Certification Allowance provisions.

Appendix 1 – Rate Tables

Specific Yardmaster Provisions

Article IV – Supplemental Sickness

Restoration of ratio of benefits to rates of pay as existed on December 31, 2009 under terms of the July 1, 2008, National Agreement.

Monthly benefits for employees eligible to receive RUIA sickness benefits will be \$1941.00 and for those who have exhausted their RUIA sickness benefits will be \$3,333.00.

Monthly benefits adjusted should the RUIA daily benefits be increased.

Article VI – Special Wage Adjustment

Effective June 30, 2011, all standard basic daily and monthly rates increased by 12.5 cents per hour.
