AGREED UPON QUESTIONS AND ANSWERS
2025 NATIONAL RAIL AGREEMENT

ARTICLE I – WAGES

Q1: If the Agreement ratifies, will Employees receive back pay?

A1: Yes. As per Article I and Side Letter #1, Employees will receive a 4.00% general wage increase retroactive to July 1, 2025. Retroactive payments will be made no later than 60 days after the date of the Agreement, under the same principles and guidelines as prior Agreements.

Q2: Will an individual furloughed or suspended when the Agreement becomes effective be eligible to receive the retroactive wage adjustment?

A2: Yes.

Q3: Will an individual in dismissed status when the Agreement becomes effective be eligible to receive the retroactive wage adjustment?

A3: Yes, if the individual is reinstated to service, the individual will be eligible for the retroactive wage adjustment to the extent applicable and consistent with the reinstatement.

Q4: Will an Employee who has been dismissed/suspended between July 1, 2025, and the effective date of this Agreement, who is subsequently reinstated/suspension removed or overturned, with pay for time and benefits lost, have the retroactive pay increases applied to his/her payment for time lost?

A4: Yes, to the extent applicable.

Q5: Will Employees on approved leaves of absence (medical, disability, or otherwise) be eligible to receive retroactive backpay provided for in this Agreement?

A5: Yes, so long as the Employee maintains his/her employment relationship with the Carrier, or subsequently retires or dies.

Q6: Will the retroactive wage payments made to Employees include previous vacation payments, personal leave days, and all other contractual pay entitlements?

A6: Yes, if and to the extent such payments are subject to the application of general wage increases.

Q7: Will retroactive payments be accompanied by a detailed payment description, including a breakdown of how the payment was calculated?

A7: Any Employee who believes his/her back pay computation is incorrect may make written request through their General Chairperson for information regarding that computation. If the General Chairperson concludes that the request has good cause, they will submit it to the Carrier, and a Carrier representative will respond. The request must be made to the Carrier within thirty (30) days of receipt of the retroactive payment. Disagreements between the parties may be referred to the President of SMART-TD and the Chairman of the NCCC.

Q8: Will an Employee who voluntarily resigned receive back pay?

A8: Employees who resign prior to ratification of the National Agreement will not receive back pay. Employees who resign after ratification of the National Agreement, including those who retired or died subsequent to June 30, 2025, will receive back pay.

ARTICLE II – VACATION

Q1: Does Article II, Section 3, of this Agreement alter local agreements that prescribe a greater vacation accrual rate for Employees than what is set forth in this provision?

A1: No, on properties where local agreements prescribe a greater vacation accrual rate for Employees than what is set forth in Article II, Section 3, of this Agreement, the greater vacation accrual rate for Employees specified in the local agreement shall prevail.

Q2: Will Employees with 6 & 7 years, 15 & 16 years, and 23 & 24 years of service receive an additional week of vacation to be used in 2025?

A2: If the Agreement ratifies in October, and as outlined in Side Letter #3, the parties will meet within 30 days of the date of the Agreement to implement changes to vacation in calendar year 2025. Should the parties fail to agree on implementation of changes to vacation in the calendar year 2025, employees who would have been eligible for vacation enhancements in Article II will receive a pro rata payment of either 1 day (based on a 5-day vacation week) or 2 days (based on a 7-day vacation week) in lieu of receiving vacation benefits for the calendar year 2025.

Q3: Will Employees who have 5 years, 14 years, or 22 years of service in 2025 receive an added week of vacation effective January 1, 2026?

A3: Yes, provided they have met the compensated service requirements under the National Vacation Agreement.

Q4: How does the Vacation Accrual Acceleration outlined in Section 4 affect the basic day requirement to qualify for vacation?

A4: The basic day requirements for the preceding calendar year remain unchanged at 240 basic days. The minimum cumulative basic day requirements to qualify for the below weeks of vacation are updated as follows:

- 2 weeks - 320 basic days in two (2) or more years of continuous service
- 3 weeks - 960 basic days in six (6) or more years of continuous service
- 4 weeks - 2,400 basic days in fifteen (15) or more years of continuous service
- 5 weeks - 3,680 basic days in twenty-three (23) or more years of continuous service

Q5: Article II, Section 1, pertaining to vacation enhancement for “Year 0” Employees references both their full-time status and their mark-up date. Is this their hire date, their seniority date, the date they first performed service, the date of the completion of the new-hire training program, or some other date?

A5: “Year 0” Employees are considered marked up on the date that they complete training and mark up as being available to perform compensated service on an assignment where SMART-TD holds this contract.

ARTICLE III – HEALTH & WELFARE

Q1: Will there be an increase in the monthly cost-sharing contributions for Employees?

A1: The monthly contribution will remain at 15% of the Carriers’ monthly payment rate using the same calculation that is currently in effect. Starting in 2030, contributions are fixed as described in Side Letter #2.

Q2: Will any of the cost-containment programs in Article III, Section 3, limit member choice of doctors or prescriptions? Will they increase member out-of-pocket costs?

A2: Programs are to reduce the potential for fraud, waste, and abuse. They will not change provider networks, pharmacy formulary lists, or out of pocket costs (i.e., copays, deductibles, coinsurance, andout-of-pocket maximums).

Q3: Earlier this year, I used my full $115 vision frame allowance. Will I be eligible for the $250 frame allowance starting January 1, 2026?

A3: No, the frame allowance is available every two years. Accordingly, you would be eligible for the new $250 allowance starting January 1, 2027. However, if you last used the $115 vision frame allowance in 2024, then you would be eligible for the new allowance starting January 1, 2026.

Q4: My kids wear braces, we reached their individual $1,000 lifetime orthodontia maximum benefit in 2024, and they will still be wearing braces in 2026. Will they be eligible for the $2,500 lifetime orthodontia maximum benefit?

A4: Yes, they will each be eligible for up to $1,500 in additional orthodontia coverage, subject to the rules of the Dental Plan.

Q5: Is there any situation where enrollment in the new High Deductible Health Plan (HDHP) benefit will be mandatory?

A5: No, enrollment in the HDHP benefit is entirely optional.

Q6: Will the addition of the HDHP benefit option increase premiums (and therefore the 15% monthly cost-sharing contributions) for members who remain in the existing Managed Medical Care Plan (MMCP) or Comprehensive Health Care Benefit (CHCB) benefits?

A6: No, claims will be pooled between all Plan benefit options, just as they are with the MMCP and CHCB benefits today. There is one combined Carrier payment rate for all Plans, which is used to calculate the Employee 15% monthly cost-sharing contributions.

Q7: If I enroll in the HDHP benefit, will my spouse and/or dependent children still be eligible to participate in the existing MMCP or CHCB benefits?

A7: No, the HDHP benefit only provides medical coverage for the Employee. Spouses and dependent children would need to find coverage under another H&W Plan.

Q8: If I get married and my spouse has access to their own medical coverage, would it still be possible to elect the HDHP benefit to cover myself only?

A8: Yes, Employees with spouses and/or dependent children will have the option to elect the HDHP for themselves only.

Q9: If I elect the HDHP benefit, will my spouse and/or dependent children still be eligible for dental and vision benefits? If so, will it increase my monthly cost-sharing contributions?

A9: Yes, spouses and dependent children are still eligible for dental and vision benefits when an Employee enrolls in the HDHP benefit. It will not increase the Employee's monthly cost-sharing contribution.

Q10: If an Employee elects the HDHP benefit and later wants to return to the existing MMCP or CHCB benefits, will they be able to transfer back?

A10: Yes, the Employee could transfer back to the existing MMCP or CHCB benefits if there is a qualifying life event (*e.g.,* a single Employee gets married and wants to provide coverage for their spouse). If there is no qualifying life event, the Employee will have the opportunity to elect the MMCP or CHCB Plan during the annual open enrollment period in October, which would become effective January 1 of the following calendar year.

Q11: If an Employee elects to remain in the existing MMCP or CHCB benefits and later wants to transfer to the HDHP benefit, will they be able to do so?

A11: Yes, the Employee could transfer to the HDHP if there is a qualifying life event (*e.g.,* a married Employee gets divorced and no longer needs coverage for a spouse and/or dependent children). If there is no qualifying life event, the Employee will have the opportunity to elect the HDHP during the annual open enrollment period in October, which would become effective January 1 of the following calendar year.

Q12: With respect to the HDHP, MMCP, and CHCB benefits, what will happen to Employees who do not make any elections during open enrollment? Will they ever be defaulted into the HDHP Plan?

A12: Employees who do not make any elections in 2025 will continue to be enrolled in the same MMCP or CHCB benefit that they are defaulting to under existing Plan rules. In future years, those Employees will continue to be enrolled in the MMCP or CHCB benefit, unless they decide to elect the HDHP benefit. Similarly, Employees who elect the HDHP benefit and do not make any elections in future years will be automatically enrolled in the HDHP benefit, unless they decide to elect the MMCP or CHCB benefits. Also, note that HDHP benefit members who opt for a Health Savings Account (HSA) will need to reelect their HSA each year, as reenrollment in the HSA is not automatic.

Q13: If I elect the HDHP benefit, am I automatically opted in for the HSA? Is there an employer contribution to the HSA?

A13: No, enrollment in the HSA is separate from the HDHP benefit, and also voluntary. There is no employer contribution.

Q14: If I elect the HDHP benefit and an HSA, how will I access my HSA funds to pay for qualified medical expenses?

A14: You can use an HSA debit card that will be provided, use online bill pay through HSA Bank, or pay out of pocket then reimburse yourself using HSA funds.

Q15: If I elect the HDHP benefit and an HSA, and there is a balance in my account at the end of the year, will it be forfeited the same way as the existing Flexible Spending Account (FSA) for the MMCP and CHCB benefits? What happens to my HSA funds if/when I am no longer covered by the HDHP benefit?

A15: Unlike an FSA, these HSA funds do not forfeit at the end of the year. Your funds are yours to keep and use for life, you can maintain those funds with the selected HSA custodian or roll them over to another financial institution. While you maintain those funds, you can no longer contribute to the HSA if you are no longer enrolled in a qualifying HDHP. However, if you withdraw HSA funds for non-qualified medical expenses, they will be subject to all applicable income tax plus additional IRS penalties.

Q16: If I have an FSA and I elect the HDHP benefit, can I continue to maintain my FSA or transfer the balance from my FSA into a new HSA?

A16: No, you are not allowed to maintain an FSA if you are enrolled in a HDHP benefit, and you cannot maintain both an FSA and HSA in any one calendar year. FSA funds can continue to be used on qualified medical expenses, but your participation in the HSA must be delayed until the FSA funds are exhausted or forfeited on April 1 of the following Plan year.

Q17: Given the timing of this Agreement, will Employees still have the opportunity to make changes during this year's October open enrollment period?

A17: Yes, SMART-TD and the NCCC have agreed to extend the 2025 open enrollment period by 2 weeks, to November 14. Employees wanting to make changes should visit www.YTTH.com and do so before that date.